

AGENDA ITEM #: \_\_\_\_\_

DATE: January 4, 2021

CAR #: 2021-7102



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Parks & Recreation Facility User Fees

**STAFF PRESENTER(S):** David Seid, Parks & Recreation Manager; Mike Beadle, Recreation Superintendent

**OTHER PRESENTER(S):** None

**Summary:** Staff will present recommended recreation & aquatics center and system-wide park rental fees.

**Recommendation:** ADOPT RESOLUTION NO. 2020-2114 APPROVING AND ADOPTING THE RECREATION AND AQUATICS CENTER FEE SCHEDULE; ADOPTING A MILITARY DISCOUNT, AMENDING THE SYSTEM-WIDE PARK RENTAL FEES AND ADOPTING FEES FOR SERVICES AT CITY PARKS; AND PROVIDING FOR AN EFFECTIVE DATE OF THE RESOLUTION AND FEES

**Fiscal Impact:** Partial year funding to begin operations of the Recreation Campus is included in the FY2021 Parks and Recreation Department General Fund budget through the original budget adoption and mid-year budget additions approved on December 7, 2020. The FY2021 budget also includes estimated revenues and the fees proposed will generate revenue consistent with those estimates. The FY2022 base budget will reflect full year operating expenses and revenues for the campus.

### Background and Previous Actions

On January 22, 2018, Council unanimously approved a new fee philosophy for recreation programs which included the following elements:

- Pyramid fee foundation
- Program cost recovery range
- Program costing formula
- Delegation of authority to the Parks & Recreation Department Director for fee adjustments that are in the best interest of the City

On August 26, 2019, Council approved the Recreation Campus expenditure authority for the design and construction of the Goodyear Recreation Campus (30-acre park, recreation center, aquatics facility, RID relocation, and Estrella Parkway & Harrison Street improvements). The Recreation Campus is scheduled to open in summer 2021.

On October 19, 2020, Council reviewed the new recreation campus user fees and updated system-wide user fees during a staff presentation at work session. The presentation included benchmarking from other cities, research and analysis of cost recovery, and recommendation of new and updated fees for the department. Council provided feedback and input related to the fees and staff revised descriptions and terms of the fees based on this input.

## **Staff Analysis**

The citywide Non-Utility User Fee and Cost Allocation Study is currently underway. The cost allocation portion of the project was completed and reflected in the adopted FY2021 budget. Workloads in the development areas as well as pandemic impacts have caused delays in the timelines for completing the user fee portion of the citywide study. The findings, related policy discussions with Council, outreach, and user fee adoption will be multi-phased and in alignment with FY2022 budget process timelines. The only exception to this schedule is that Parks & Recreation fees need to be in place before the Recreation Campus opens in the summer of 2021.

The Parks & Recreation Department completed a comprehensive fee review for all non-program related fees in conjunction with the City's fee review process with the assistance from MGT Consultants. This review included assessing current non-program related park fees as well as establishing new fees for the Recreation Campus facilities. As a part of this process, the department utilized several strategies to develop the new recommendation of fees:

- Community & stakeholder user groups feedback
- City benchmark analysis
- Parks & Recreation Advisory Commission review
- Comprehensive budget & cost recovery analysis

Based on this comprehensive process, staff are recommending new fees for the new recreation & aquatics center and revised system-wide park rental fees (attached) in addition to delegation of authority to the Parks & Recreation Department Director for fee adjustments that are in the best interest of the City.

On August 13, 2020, the Parks & Recreation Advisory Commission unanimously supported the proposed fees as presented. The fees reflect the nature of the amenities and services provided by the city. The new and existing facilities are community level assets, developed for community benefit, to enhance the experience of all residents by providing affordable, sustainable facilities and amenities for residents. Creating spaces for the residents to gather is essential to create a thriving and vibrant community.

Pursuant to the direction received during the October 19, 2020 work session regarding the newly proposed fees, definitions for the various categories of fees are being added as follows:

- Youth (3-17)
  - Youth is defined as individuals age 3 to 17. Children under the age of 3 may enter the facility with a parent or guardian free of charge.
- Adult (18-54)
  - Adult is defined as individuals age 18 to 54

- Senior (55+)
  - Senior is defined as individuals age 55 and older.
- Family
  - Family is defined as a minimum of one adult and an unlimited number of dependents residing in a single household.

In addition, and as also requested during the October 19, 2020 work session, under the proposed resolution, a 15% Military Discount for the fees for the use of the Recreation and Aquatic Center will apply to all active and former service members and their immediate family residing in the same household. In addition, the Parks and Recreation Department is authorized, under the proposed resolution, to offer discounts on the rental fees for the rental of Recreation and Aquatics Center facilities, for the rental fees for rental of other city park facilities and for the fees for services provided at those facilities when such discounts are warranted by benefits to the city such as community benefit, economic impact factors need for competition alignment and other benefits to the City. Such discounts will be available pursuant to a standard operating procedure, which is to be prepared and approved by the Director of the Parks and Recreation Department or his/her designee.

(Although outside the scope of the proposed fee adoption, the Scholarship Program that was previously established will be available for the fees for using the Recreation and Aquatics Center and, as discussed during the October 19, 2020 meeting, the Scholarship Program has been expanded to include all eligible members of a family and to be applicable to any and all city park programs and services, including memberships.)

The new fees for the recreation & aquatics center are estimated to conservatively generate \$315,000 - \$630,000 of revenue. The total operational expenses for the Recreation & Aquatics Center are approximately \$2.1 million, which results in a 15% - 30% cost recovery. System-wide park rental fees are estimated to conservatively generate \$140,000 - \$180,000 of revenue, which is more than double previous year averages. Additionally, all system-wide rental fees will recover 100% of direct costs associated with the rental; this is consistent with current practice. With this recommendation, the community will continue to have access to high-quality, affordable amenities for years to come.

## **Attachments**

Resolution with Exhibits

Ex. A Recreation and Aquatics Center Fee Schedule

Ex. B System-Wide Park Rental Fees