

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/10/2008		Item Number: <u>A-3</u>	
AGENDA ITEM: Adoption of a Resolution Establishing New Aquatic Fees and Rescinding that Portion of Exhibit F-1 of Resolution No. 2008-R048 Which Established the 2008-2009 Aquatic Fees.			
Contact Person/Dept.: Brianna Frazier		Phone Number: (310) 253-6662	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List (11/05/08); Publication of Notice in the Culver City News on 10/23/2008 and 10/30/2008; Notice Placed on Public Counters in Veterans' Memorial Complex and the Municipal Pool on 10/24/2008; E-Mail Notification to Pool User and Sports Groups (10/23/2008 and 11/05/08)			
Department Approval: Bill La Pointe (10/29/08)		City Attorney Approval: Carol Schwab (by H. Baker) (11/05/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (11/05/08)		City Manager Approval: Jerry B. Fulwood (11/05/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a Resolution establishing new aquatic fees and rescinding that portion of Exhibit F-1 of Resolution No. 2008-R048 which established the 2008-2009 aquatic fees, and make these fees effective March 1, 2009. <u>PROCEDURE:</u> Though user fees of this nature do not, by law, require a public hearing, the City Council and PRCS Department generally seek to observe the following process to establish or amend user fees to encourage community input in the process: i. A public meeting (in the form of a City Council meeting) is scheduled to consider adopting a resolution establishing the proposed fees. ii. Public notices are published in a local newspaper of general circulation in the City not less than 14 days prior to the meeting. Additional noticing is conducted as deemed appropriate by the PRCS Department Director. iii. Public comment in the form of correspondence and audience testimony is received by Council at the meeting. iv. City Council, after receiving public comment and a staff report, may continue the item or take action. If continued, additional notices are published and the process repeats until the City Council takes action regarding the resolution confirming the amended fees.			

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Staff published a notice of this item in the October 23 and October 30, 2008 issues of the Culver City News. In addition to publishing notices, the PRCS Department posted notices and fliers at the Veterans' Memorial Complex and the Culver City Municipal Pool and provided e-mail notices to pool user and sports groups, advising them of tonight's discussion and the proposed fee increases.

BACKGROUND:

The City of Culver City operates a year-round, outdoor aquatic facility (the "Plunge") that has a 25 by 55-yard (commonly known as a 25-yard by 50-meter) pool with depths ranging from 3½ to 13 feet. The mission of the Culver City Aquatics Section is to promote health and fitness through year-round aquatic programs.

Individuals and organized sports groups utilize the Plunge for aquatic activities ranging from recreational swimming and general fitness to competitive swim team training and exhibitions. Annually, the Plunge boasts over 30,000 visits by recreation and lap swimmers. Swim lessons and rentals account for an additional 50,000 visits to The Plunge annually. During the peak summer months, participation rates for all aquatics activities reaches a combined average of more than 400 swimmers daily.

Operations of the Culver City Municipal Pool are funded in part by revenues generated from individual admissions, the provision of aquatics programming, and rental fees paid by the many user groups that utilize the facility. During the 2008-09 Budget Process, the City Council adopted user fees and charges for various activities. At that time it was noted that the PRCS Department would be returning to the City Council at a future date to propose new fees and charges at the Plunge.

The Parks, Recreation and Community Services (PRCS) Department has reviewed the fee schedule, current pool use, user groups, and market rates. In proposing the attached fees, staff sought to keep in mind affordability and our commitment to providing the Culver City community with year-round aquatic programming. Staff is recommending that non-resident and commercial users provide more significant support for the operation of the facilities and programs than residents and non-profit organizations.

DISCUSSION:

Staff proposes increasing fees for individuals, swim passes and user groups and changing or establishing fee categories to provide greater fee consistency. (Revisions to swim lesson fees are not being proposed at this time though staff will

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continue to review this possibility in preparation for the 2009-10 Budget cycle.) Proposed swim pass fees reflect the importance of promoting Culver City community use through discounted resident pricing. Revision of the rental categories and rates for non-profit, private party and commercial groups is another means for promoting community use through discounted resident pricing. The following proposed rates outline a tiered structure through which:

- Commercial entities bear the most of the financial responsibility for the service;
- Non-commercial private parties bear responsibility for a moderate portion of the cost of the service; and
- Non-profit organizations bear responsibility for a minimal portion of the cost of the service.

When feasible, commercial entities, private parties or organizations are afforded a discount for being a resident of, or headquartered in, Culver City.

The Resolution establishing the proposed fees follows as Attachment 1. The proposed fee schedule is outlined in Attachment 2.

Comparisons to Other Cities

As discussed extensively during the budget adoption process, comparing fees to other jurisdictions can be challenging given the difficulty in providing an “apples to apples” comparison. As explained in the Public Resource Management (PRM) report to City Council in May 2007, the difficulty is due to the many variables in policy and procedures across cities. Further, California Law (Proposition 218) mandates that local agency fees must be established at an amount that cannot exceed what it actually costs to provide the service; thus Culver City can only charge a fee which, at maximum, is no greater than our costs.

Remaining aware of these challenges, staff reviewed area municipalities that provide year-round aquatics programming to their communities. This review revealed that Culver City is generally consistent with the surrounding market and has an opportunity to (1) increase aquatics programming fees to capture additional revenue, and (2) adjust rental fees for greater consistency while still remaining competitive in the surrounding market.

Based on a review of comparable outdoor, year-round aquatics facilities, user group fees for non-profit or sports groups range from \$45.00 per hour (City of West Hollywood) to \$252.00 per hour (City of Santa Monica). Rates for private parties or commercial entities range from \$70.00 per hour (City of West Hollywood) to \$400.00

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(City of Santa Monica). In general, the pools reviewed prorate this hourly fee based on the space allocated to the user group (i.e.: hourly rate factored against percentage of pool allocated); notable exceptions follow the table below.

This review also revealed that Culver City's practice of charging additive fees based on the number of participants is somewhat incongruous with the necessary lifeguard requirements and may create an unnecessary administrative burden for staff. As a result, these additive categories are proposed to be deleted and alternative categories are proposed. A summary of the market comparison information follows:

	Fee Category	Culver City (Proposed)	Santa Monica	Torrance	West Hollywood
Existing Categories	Lap & Rec Swim: Adult Resident (1 visit)	\$ 4.00	\$ 2.50	\$ 2.00	\$ 2.00
	Lap & Rec Swim: Adult Non-Resident (1)	\$ 4.00	\$ 5.00	\$ 2.00	\$ 3.00
	Lap & Rec Swim: Sr Resident (1)	\$ 2.50	\$ 1.25	\$ 1.50	\$ -
	Lap & Rec Swim: Sr Non-Resident (1)	\$ 2.50	\$ 2.50	\$ 1.50	\$ -
	Lap Pass: Adult Resident (15 visits)	\$ 35.00	\$ 30.00	\$ 27.27	\$ 21.00
	Lap Pass: Adult Non-Resident (15)	\$ 50.00	\$ 60.00	\$ 27.27	\$ 36.00
	Lap Pass: Sr Resident (15)	\$ 20.00	\$ 15.00	\$ 20.45	\$ -
	Lap Pass: Sr Non-Resident (15)	\$ 25.00	\$ 30.00	\$ 20.45	\$ -
	Rec Swim: Youth Resident (1)	\$ 2.50	\$ 1.00	\$ 1.50	\$ 1.00
	Rec Swim: Youth Non-Resident (1)	\$ 2.50	\$ 2.00	\$ 1.50	\$ 2.00
Proposed New Categories	Hourly Rental: Non-profit Resident	\$ 114.00	\$ 72 - 126	\$48.00+	\$45.00+*
	Hourly Rental: Non-profit Non-Resident	\$ 127.00	\$144 - 252	\$113.00+	\$45.00+*
	Hourly Rental: Private Party, Resident	\$ 152.00	\$100 - 165**	\$113.00+	\$70 - 95
	Hourly Rental: Private Party, Non-Resident	\$ 169.00	\$150 - 210**	\$113.00+	\$100 - 150
	Rental: Private Commercial, Resident	\$ 191.00	\$ 400.00	\$113.00+	\$45.00+*
	Hourly Rental: Private Commercial, Non-Resident	\$ 212.00	\$ 400.00	\$113.00+	\$45.00+*

*These are flat rates regardless of pool allocation. Multiple groups using the pool simultaneously would each be charged this same rate.

**This rate is a flat rate for 2 hours of non-exclusive use. It includes 20 youth and 2 adult admissions, additional swimmers are charged the posted admission rate.

Though it is challenging to directly compare all categories across cities, staff has adjusted advertised rates where feasible to match with the categories proposed (ex: converting lap pass pricing to 15 admissions if sold in other increments). Staff inquired as to recent revisions to existing rates. Santa Monica indicated the aquatic facility considerably revised their rates in recent years. Representatives of Torrance and West Hollywood expressed an interest in, or ongoing revisions to, their fee structures to enhance consistency and/or cost recovery particularly for aquatic rentals.

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FISCAL ANALYSIS:

Staff is recommending adopting the proposed fee increases effective March 1, 2009. This will provide adequate time to inform Plunge users and the community, revise existing agreements and modify pool schedules if appropriate. The proposed rate schedule will generate approximately \$80,000 in revenue annually or just under \$20,000 for Fiscal Year 2008-2009 if effective March 1, 2009.

ATTACHMENTS:

1. Proposed Resolution (including Exhibit A (Proposed Fee Schedule))

MOTION:

That the City Council:

Adopt a Resolution establishing new aquatic fees and rescinding that portion of Exhibit F-1 of Resolution No. 2008-R048 which established the 2008-2009 aquatic fees, and make these fees effective March 1, 2009.