City of Culver City

Staff Report Details (With Text)

File #:	26-764	**Version:**	1	**Name:**	Updates to Fee Study (FY26-27)
Type:	Minute Order			**Status:**	Action Item
				In control:	PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION
On agenda:	4/16/2026			**Final action:**	
Title:	(1) Receipt and Filing of a Report Regarding the Updates to the Parks, Recreation, and Community Services Department's Charges and Fees; and (2) Provide Feedback to Staff as Deemed Appropriate				
Indexes:					
Code sections:					
Attachments:	1. 2026-04-16 ATT 1 PRCS Fee Study Presentation Updates, 2. 2026-04-16 ATT 2 Updated Service Category Classification of PRCS Activities				

Date	Ver.	Action By	Action	Result
4/16/2026	1	PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION		

(1) Receipt and Filing of a Report Regarding the Updates to the Parks, Recreation, and Community Services Department's Charges and Fees; and (2) Provide Feedback to Staff as Deemed Appropriate

Meeting Date: April 16, 2026

Contact Person/Dept: Adam Ferguson/PRCS
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Fiscal Impact: Yes [X] No [] **General Fund:** Yes [X] No []

Public Hearing: [] **Action Item:** [X] **Attachments:** [X]

Public Notification: (E-Mail) Meetings and Agendas - Parks, Recreation and Community Services Commission (04/14/2026); (E-Mail) Parks, Recreation & Community Service Department Updates (04/14/2026)

Department Approval: Adam Ferguson, PRCS Deputy Director (04/14/2026)

RECOMMENDATION

Staff recommends that the Parks, Recreation and Community Services (PRCS) Commission (1) receive and file a report regarding the updates to the Parks, Recreation, and Community Services Department's charges and fees and (2) provide feedback to staff as deemed appropriate.

BACKGROUND

On June 23, 2008, Council received and adopted a revised cost recovery policy for Fiscal Year 2008-2009 and an implementation schedule to phase in the user fee increases over the next few years. Between Fiscal Year

2008-2009 and Fiscal Year 2012-2013, staff adjusted fees annually to achieve the cost recovery goals adopted by City Council. On May 13, 2013, Council adopted a resolution that made minor changes to various fees and charges for services as recommended by staff to address operational changes that occurred since the last fee study.

In Fiscal Year 2013-2014, the City entered into an agreement with a consultant to assist with conducting an updated comprehensive user fee and cost of services analysis. However, due to staff turnover at the executive management levels across multiple City departments, coupled with the later disruption caused by the 2020 pandemic, staff did not complete an updated comprehensive user fee study during the recommended five-to-seven-year period. During this time, staff also did not update the fees by Consumer Price Index ("CPI") to align the fee increases with the increased cost of doing services, thus further exacerbating the gap between the City's actual cost recovery and Council adopted targets. In Fiscal Year 2022-2023, staff engaged NBS Government Finance Group (NBS) to assist the City with conducting an updated comprehensive user fee and cost of services analysis.

Finance staff worked with NBS and representatives from all City departments to prepare the User Fee Study. The report includes the estimated total cost of providing each service, as calculated by NBS based on inputs from City departments, and a comparison to the City's current fee structure. It also includes a new proposed fee equation to understand the full cost of PRCS programs.

PRCS accounts for lion's share of the costs that are subsidized by other General Fund revenues. Subsiding recreation programs with General Fund revenues is a common practice across most cities as PRCS programs inherently provide some of the greatest and most visible benefits to the community. This fee study launched the evaluation of the department's full costs for services for each primary program offered by PRCS.

At the PRCS Commission Regular Meeting on December 3, 2024 the "Recreation Programming and Rentals Fee Study Ad Hoc Subcommittee" was formed to contribute to discussions and working sessions in preparation for a new PRCS fee model to be considered by City Council. On January 13, 2025, the City Council reviewed the City's Draft User Fee Study that was spearheaded by the City's Finance Department. The Study was designed to serve as the basis for the City's proposed fee schedule update. Due to the nature of PRCS programs and services and the need for the City to adopt an updated fee schedule, it was determined that PRCS would undertake a separate, robust process to review all its programs and develop policy recommendations for cost recovery and cost subsidy for all the various PRCS program offerings while the City proceed with implementing fee updates for all the other City Departments.

Throughout the calendar year 2025, staff met with the Finance Advisory Committee and the Recreation Programming and Rentals Fee Study Ad Hoc Subcommittee to incorporate feedback into the policy recommendations. On January 30, 2026, staff met with the Recreation Programming and Rentals Fee Study Ad Hoc Subcommittee to provide an update on progress. Staff continue to review and work with NBS to finalize the fees and charges for PRCS. Staff met with NBS on February 3, 2026 and again on April 8, 2026.

DISCUSSION

The presentation, Attachment 1, discusses the proposed methodology staff uses to conduct the fee study and focuses on shifting from a Service Area Analysis to a Service Category Analysis. Previously PRCS used service areas, where "likeness" was the principal consideration in the coordination and/or organization of the department's various services. For example, under the Service Area philosophy Learn to Swim Level 1 and Recreation Swim were both categorized under Aquatics and labeled with the same cost recovery goal. Below are the service areas previously used to group activities by PRCS:

- Parks and Trails
- Seniors

- Youth Sports Leagues
- Adult Sports Leagues
- Aquatics
- Arts and Culture
- Summer Camps
- Community Events
- Teen and Youth Center
- Afterschool Programming

Shifting to a service category philosophy where “like purpose” is the principal consideration in cataloging services allowed the department to eliminate arbitrary goals, discourage attempts to make cost recovery decisions based upon special interests or social values and aligned interests with equity-based decision making. For example, this led Learn to Swim Level 1 to be categorized under Health and Human Services and Recreation Swim under Recreational Activities, because although both are aquatics programs, their purposes differ. The following are the Service Categories PRCS plans to use to categorize programs and services for this fee study and moving forward:

- Open Access
- Community Events
- Health and Human Services
- Out of School Activities
- Recreational Activities
- Rentals & Reservations
- Specialized Activities

Utilizing the service categories, analyzing the beneficiaries of the service or program along with the cost of the service, streamlined a process for determining how a service or program should be subsidized. Activities and programs like trails or walking paths that fall under open access and benefit everyone would result in a much heavier subsidy, when compared to specialized activities that benefit just the individual or select group partaking, like Intermediate Golden Tiger classes for example. This shift helps align the department’s and Council’s priority of long term financial sustainability while ensuring an equitable framework is in place when considering subsidy and cost recovery goals.

Since the last update was provided to the ad hoc subcommittee on January 30, 2026, staff has updated two items; the reconciliation of service categories and corresponding class assignments (seen in Attachment 2) and the inclusion of the Cost Allocation Plan (CAP) developed by NBS.

Staff believes the updates in Attachment 2 more accurately align with PRCS program offerings. Below is a recap of the updates made:

- “Community Events” and “Special Events” consolidated into one category
- “Beginner Activities” was updated to “Recreational Activities”
- “Drop-in Activities” was dissolved, and the corresponding activities were allocated under “Health and Human Services” and “Recreational Activities” categories

Staff also incorporated the CAP, which is an analytical tool through which a City can apportion administrative or indirect services costs to individual departments or cost centers within its organization. Allocated costs are typically termed “citywide overhead.” Most overhead/indirect service costs are those expenditures that provide support services or oversight to each department citywide and typically include legislative, managerial, financial, administrative, legal, personnel, technology, building, and equipment use, and risk management activities. Including these indirect or administrative costs will help PRCS more accurately determine the cost of our programs and corresponding fees.

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Staff plans to continue to meet with NBS to finalize the fee schedule.

FISCAL ANALYSIS

The department anticipates increased revenues from the updates to the PRCS charges and fee schedule, but the amount is still unknown. Staff is working with NBS to finalize the model and proposed fees.

ATTACHMENTS

1. 2026-04-16 - ATT 1 PRCS Fee Study Updates Presentation
2. 2026-04-16 - ATT 2 Updated Service Category Classification of PRCS Activities

MOTION

That the Parks, Recreation and Community Services Commission:

1. Receive and file the report regarding the updates to the Parks, Recreation and Community Services Department's Charges and Fees; and

2. Provide feedback to staff as deemed appropriate.

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