

**City Council Meeting**

Item 2, RTC 24-508

**Reconsideration of the Council Actions Taken at the April 23, 2024 City Council Meeting Regarding Proposed FY2024/25 Fees for Non-Profit Youth Sports Field Use in Accordance with Council Policy 42**

**June 4, 2024**

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## Background

- On April 23, 2024, as part of City Council's action with respect to the City's overall Master Fee Schedule, the City Council took action to repeal field fees for non-profit youth sports groups
- Following this action, the City Council took a recess and the community stakeholders interested in this item left the meeting
- After the Council recess, a motion to reconsider the repeal of these fees was made, and following a series of failed motions, was ultimately approved, with staff's original recommendation to maintain fees adopted.
- The action included further direction to staff to (1) revisit the Wade Brummal Scholarship Program to determine how the program might be used to offset the fees for non-profit youth field use; and (2) Explore the feasibility of fee waivers for all youth sports programs

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## Background (cont.)

- At the May 7, 2024 Council Meeting, in consideration of the fact that interested stakeholders were not present at the April 23<sup>rd</sup> meeting when youth field fees were reinstated, a request to reconsider the Council's action was presented
- This motion was approved unanimously
- As a result, the question of what fees should be charged, if any, by the City for field use by non-profit youth sports groups is again before the Council for its consideration.

## Background on Master Fee Schedule & User Fees



## Background

- The City maintains a Master Fee Schedule identifying applicable fees for various City services
- Fees are reviewed and updated every year
- Cities collect fees and charges for government services performed at the request of, or specifically for, a particular individual, business, or group as opposed to services performed for the community as a whole

## Municipal Fees

- Why do cities review fees and charge fees for services?
  - Legal Requirements
  - Encourage direct recovery of costs incurred to serve private interests/benefit
  - Provides General Fund resources
  - Enable continuity of service levels by improving cost recovery levels

## Types of Fees Examined

- This update DOES NOT examine taxes, assessments, utility rates, etc.
- **Building Fees** – construction permit processing, plan check, and inspection
- **Planning Fees** – such as entitlement review and review for compliance with zoning code
- **Engineering Fees** – such as engineering, encroachment, and excavation review and inspection
- **Fire Prevention Fees** – such as fire alarm, fire sprinkler, and construction review for compliance with Fire Code
- **Non-Development Related Fees** – such as recreation fees, licensing, and permitting

## Cost Recovery Principles for the City

- City Council Budget Principle Related to Cost Recovery for Fees

*“With limited exceptions, establish fees based on full cost recovery where individuals/businesses rather than the community at-large are benefitting from City services.*

*This preserves limited unrestricted resources for providing services that benefit the community as a whole.”*



## Average Cost Recovery Level by Department

Department	Average Cost Recovery %
City Clerk's Office	100%
Community Development	91%
Electric Utility	100%
Finance	96%
Fire	99%
Parks and Recreation	14%
Cemetery	93%
Police	84%
Public Works	98%
Water and Sewer Utilities	68%

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## Reserved Field Use Fees

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## Reserve Field Use Fees – Background

- FY 2022/23 fee schedule update included adoption of parks and recreation cost recovery policy and adoption of reserved field use fees for non-profits and sports leagues.
- Prior to FY 2022/23 Fee Schedule Adoption:
  - No charge for reserved field use for non-profits and sports leagues
  - Reserved field use fees were compared to neighboring agencies for reasonableness
  - Staff held open community meetings, that included three commissions: Parks & Recreation, Senior Advisory, and Youth Commissions
  - Staff conducted a community survey. There were 234 survey responders (Commissioners and General Public)

## Reserve Field Use Fees – City Council Referral

- In response to a City Council referral during the adoption of the FY 2023/24 Municipal Fee Schedule, City staff recently met with representatives from Santa Clara youth sports organizations and interested community members to discuss the City's field and facility use program
- More than 30 individuals participated in meeting, including representatives of:
  - Parks and Recreation Commission – Current and Former Members
  - Lions
  - PAL
  - SC Pony Baseball
  - SC Residents
  - SC Swim Club
  - SC Youth Soccer League
  - SC Unified School District
  - Westside Little League



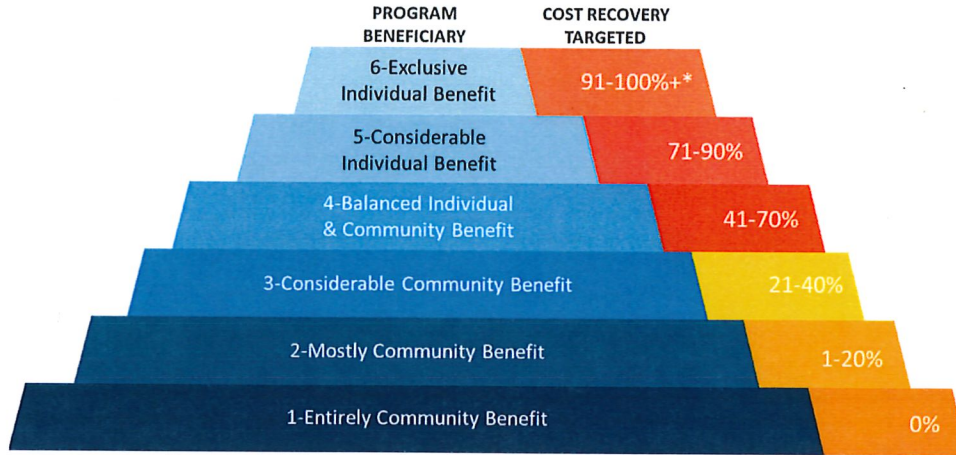
## Reserve Field Use Fees – City Council Referral

- Recurring feedback of outreach meeting included, but was not limited to:
  - Prioritizing Santa Clara youth for field allocations
  - Safety of participants (i.e., having access to reserved fields that are not already being occupied by others, unhoused individuals entering field areas during programming, dogs on leashes, safe environment, etc.)
  - Collaboration between City and Organizations for solutions to ongoing challenges and identifying Santa Clara youth sports as valued / integral part of community fabric
  - Effective use of Wade Brummal Scholarship funds
  - Use of various fee collections
  - City relationship with outside organizations

## Reserve Field Use Fees – City Council Referral

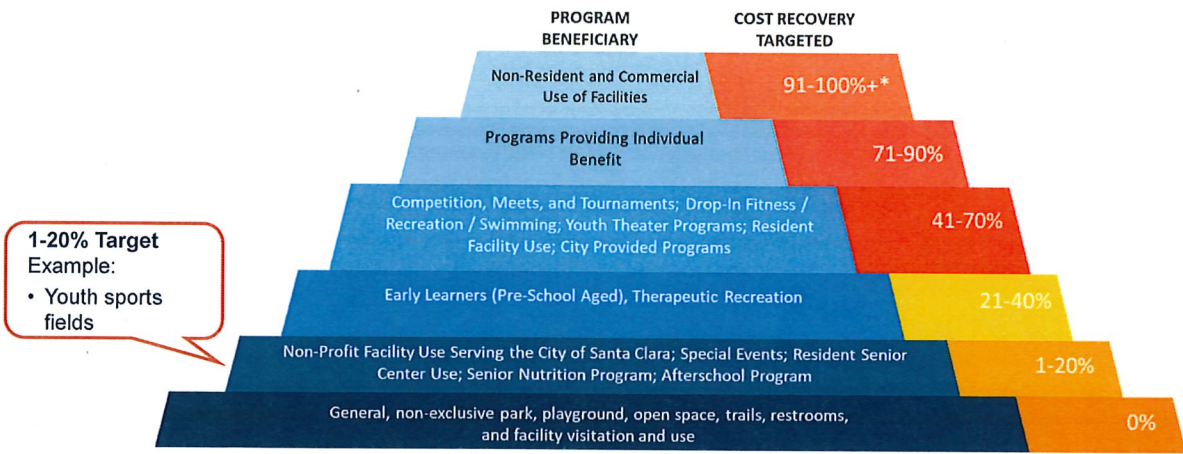
- FY 2024/25 – No fee increases are proposed for reserved field use fees for non-profits and sports leagues
- Staff has committed to continued discussion with youth sports organizations regarding topics of interest, including advanced notice of any future proposed fee changes to allow organizations time to provide feedback and develop budgets

# Parks & Recreation Cost Recovery Policy Tiers



100%+ indicates minor exceptions where premiums above cost may be justified, such as market-based rents.

# Parks & Recreation Cost Recovery Policy Tiers



**1-20% Target Example:**

- Youth sports fields

100%+ indicates minor exceptions where premiums above cost may be justified, such as market-based rents.



# Parks & Recreation – Types of Services / Users

## Aquatics (Lessons and recreational swim)

- Youth
- Adult
- Senior

## Memberships (Regular access to City facilities and ongoing programs)

- Youth
- Adult
- Senior

## Facility Rentals (Reserved and/or exclusive permitted use of City facilities)

- Private groups /individuals
- Non-profit organizations
- Community groups
- Commercial organizations
- Competitions and tournaments

## Classes (Detailed in Activity Guide)

- Youth
- Adult
- Senior

# Parks & Recreation Cost Recovery Comparison to Industry Benchmarks


Santa Clara cost recovery from recreation-related user fees and charges is below industry standard

Generated Revenue as Percent of Operating Expenditures	
City of Santa Clara	14%
Industry-wide Average *	23%

\* Source: 2021 National Recreation and Park Association Agency Performance Review which contains data from 1,000 unique park and recreation agencies across U.S.

# Reconsideration of Fees for Non-Profit Youth Sports Field Use


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## Reconsideration

- The purpose of this item is to allow the City Council to reconsider the actions taken on April 23, 2024, regarding the municipal fees for non-profit youth sports field use
- The remaining two elements of the motion passed on April 23, 2024 are not a subject of the reconsideration and remain referrals to staff:
  - Direct staff to revisit the Wade Brummal Scholarship Program to determine how the program might be used to offset the fees for non-profit youth field use; and
  - Evaluate the impact of fee waivers for all youth sports programs

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## Municipal Fees for Field Use by Non-Profit Youth Sports Organization

- As part of the FY 2023/24 budget process, the City Council adopted a Parks & Recreation cost recovery policy and a municipal fee of \$14/hour for field use by non-profit youth sports organizations
- Prior to FY 2023/24, there was no charge for field use by non-profit youth sports organizations
- In response to community concerns regarding the new fees, the City Council referred the issue of field use fees to staff to discuss with user groups
- Given that the FY 2023/24 fee was in alignment with the market, no increase was proposed for FY 2024/25

## Municipal Fees for Field Use by Non-Profit Youth Sports Organization (cont.)

- A meeting with user groups was held in March 2024, where the proposed zero increase in the fee for non-profit youth sports organizations was shared. Approximately 30 organizations participated in the meeting. No request to rescind the fee was made by any of the groups at the meeting
- On April 9, 2024, a study session on the proposed Municipal Fee Schedule was held with the City Council
- Staff was asked to provide information on the impact of the field use fee

## Municipal Fees for Field Use by Non-Profit Youth Sports Organization (cont.)

- The following table summarizes field reservations by non-profit youth sports organizations for the past two years:

Non-Profit Sports Field Reservations for Youth				
Fiscal Year	# of Bookings	# of Hours	Non-Profit Fee	Revenue
FY 2021/22	1,853	10,036	No Fee	No Revenue
FY 2022/23	2,435	8,193	\$14.00/hour	\$114,695

- It is important to note that while the number of hours decreased, the number of bookings increased. Groups only booked fields they intended to use. Prior to the fees, groups would book fields and not use them, limiting the number of available bookings
- Groups are only booking those fields that they plan to use to avoid unnecessary costs

## Wade Brummal Scholarship Fund

- Purpose is to provide financial assistance to Santa Clara youth residents who wish to participate in organized youth sports and may not have the financial means to pay participant fees as well as to support facility and program needs of the non-profit youth sports groups. Fees are collected from all youth non-profit sports organizations using Santa Clara facilities that allow "non-residents" to participate in their respective programs
- Approximately \$30k is collected annually which far outpaces the requests for scholarships and organizational funding. Current balance is approximately \$120k
- Policy is currently under review to respond to requests to revise eligibility criteria and allowable uses as well as to put the funds to use as quickly as possible for the benefit of the community. Per Council direction, policy will also be evaluated in terms of offsetting field use fees
- Proposed revisions will be discussed with sports user groups at next meeting on 7/11/24 then represented to Parks & Recreation commission for review then to City Council for final approval in the fall of 2024



# Recommendation

- It is recommended that the City Council confirm the Council action taken on April 23, 2024 to maintain the fees for non-profit youth sports groups at the rate of \$14 per hour as presented in the Proposed FY 2024/25 Municipal Fee Schedule

## CITY OF SANTA CLARA MUNICIPAL FEE SCHEDULE

SUBMITTED BY DEPARTMENT  
PARKS & RECREATION / RECREATION

RESOLUTION NUMBER:

APPROVED:

DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE and PERIOD	TECHNOLOGY FEE (3.37%) APPLIES (Yes or No)	CHARGING DEPT / DIV COLLECTING DEPT / DIV	DATE FEE LAST CHANGED	FEE DETAIL OBJECTIVE PROP 26 EXCEPTION (SEE READER'S GUIDE) FULL COST FACTOR	COMMENTS	PROPOSED NEW OR REVISED FEE 2024-25	Percent Change
				ORDINANCE NUMBER & DATE (if applicable)				
Fields and turf areas reservations, Practice & Games	Cost per hour	No	Charged By: Parks & Rec Collected By: Parks & Rec	R. No.: 22-9081 & 22-9082 R. Date: 4/19/2022	Objective: Recover Cost Prop 26 Exception: 4 Full Cost: Varies	Hourly city staff costs may be charged in addition to the field rental fee. Staffing needs determined by Parks & Recreation staff based on hours of use, estimated attendance and scope of event.	Cost per hour	
Non-Profit	\$ 14.00			1% - 20% Cost Recovery			\$ 14.00	
Resident	\$ 100.00			Market rate			\$ 100.00	
Commercial/Non-Resident	\$ 280.00			Market rate			\$ 280.00	



## Next Steps Tonight

### 1. Council Feedback

From: [unreadable] Subject: Follow Up Flag

### 2. Public Comment

11:44 AM Cynthia Bojorquez RE: Large Community Room on Feliz 242 KE

### 3. Council Direction

