

Responses to City Council Questions – April 9, 2024 Study Session

Community Development

Mills Act Fee

Question: Why is the Mills Act fee charged upfront?

Response: The Mill Act legislation grants participating local governments (cities and counties) authority to enter into contracts with property owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties to **receive property tax relief** (*the County Assessor adjusts the value of the property downward to reflect the historic restrictions placed on the property rather than market value*). The application fee of \$8,451 is collected upfront to cover staff review for compliance with the state Mills Act law, two public hearings (Historical & Landmarks Commission and City Council) and an audit every five years. This fee recovers 72% of the actual cost of providing this service. No increase to this fee is proposed for FY 2024/25.

Parks and Recreation

Parks and Recreation Cost Recovery Policy

Question: How were the tiers in the Cost Recovery Policy developed?

Response: The six tiers in the Parks and Recreation Cost Recovery Policy were developed to differentiate between the levels of community versus exclusive individual benefit of the various user fee categories. The tiers range from 0% cost recovery for fees in the Entirely Community Benefit category (e.g. parks, playgrounds, trails) to 91%-100% cost recovery for fees in the Exclusively Individual Benefit category (e.g., non-resident and commercial use of facilities), with the tiers in between enabling distinctions between user groups and/or program areas. For example, programs serving a vulnerable or underserved population are in the Mostly Community Benefit category that has a low cost recovery goal of 1-20%. In contrast, an example of an Exclusively Individual Benefit would be a general special interest programs such as ceramics or drawing for an adult participant under 50 years of age. These tiers were developed as part of consultant outreach to various stakeholders during the FY 2022/23 fee development process.

Senior Center Auditorium Fees

Question: For the use of the Senior Center auditorium, how much would non-profits be charged if staff time is required?

Response: The base charges for auditorium use for non-profit groups is \$20 **per meeting** without the kitchen or \$20 **per hour** with the kitchen. If the event occurs within regular operational hours, there will be no extra charge for staff time unless the event requires special equipment and/or clean-up. For after hour events, staff fees for a minimum of two people will be charged based on the proposed FY 2024/25 staffing fee of \$37/hr. per person.

Equipment Rental Fees

Question: What costs do these table, chairs, canopies, etc. rental fees recover?

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Response: The equipment rental fees recoup the cost of equipment use over time such as tables, chairs, canopies and any other equipment requested.

Volunteer vs. Staff Time

Question: Can volunteers be used instead of staff to offset fees?

Response: The work being performed by staff is subject to negotiated Memorandums of Understanding (MOU) and a meet and confer process with the City's bargaining units would be required to expand the use of volunteers. While there may be opportunities to augment this work through the support of volunteers, the effective use of volunteers requires proper training, management and oversight. If a separate group is providing volunteers, details including but not limited to coverage of insurance/liability, standard of care and services provided by the volunteer group, scheduling, and availability would need to be negotiated with those groups and outlined in a formal MOU. It is important to note that there may be an important role for volunteers to play, fees are necessary to cover hard costs such as equipment, supplies, utilities, and day-to-day operations to maintain a consistent standard of care.

Racquet Court Reservations

Question: Can reservations for courts be made available to the public?

Response: Yes, reservations can be made online through the lifetime activities website: <https://www.lifetimeactivities.com/santa-clara/court-reservations-policies/>. Staff will continue to work with the vendor to streamline and make reservation more accessible and efficient for the public to place a reservation.

Field Rental Fees

Question: How many hours are groups using the fields?

Response: The following table provides an overview of sport field reservations by non-profit youth groups for FY 2021/22 and FY 2022/23. It is important to note that while the number of hours has decreased, the number of bookings has actually increased. One of the impacts of the new fees has been that groups are no longer booking fields they will not be using. Prior to the fees, groups would book fields and not use them, limiting the number of available bookings. Now that groups are being charged, they are only booking those fields that they will actually use to avoid unnecessary costs. The net result is better utilization of sports fields and greater opportunity for the City to meet the needs of more user groups.

Non-Profit Sports Field Reservations for Youth				
Fiscal Year	# of Bookings	# of Hours	Non-Profit Fee	Revenue
FY 2021/22	1,853	10,036	\$0	\$0
FY 2022/23	2,435	8,193	\$14	\$114,695

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Question: How often are user groups invoiced?

Response: Groups are invoiced when they apply for the field permit (usually by season) and are set up on a payment plan at that time. The total is due by the end of the permit date, with payments scheduled throughout the period. Payment plans are available for everyone. For games, invoicing usually happens at the end of the month since game schedules change frequently. Payment plans require a lot of staff follow up and are maintained in our Active software.

Question: Is there a policy regarding outside organization use of fields?

Response: Policies regarding field use are based on the fee categories for 1) Commercial/Non-Resident users, 2) resident users/general public, and 3) non-profits/community groups. The issue of prioritization of use of the fields was raised during our outreach meeting in March 2024. Parks and Recreation staff plan to continue to develop these policies and collaborate with existing groups to determine the most equitable and efficient policies to ensure the Santa Clara community receives the highest benefit and access to sports fields and parkland availability.

Question: Is there a breakout of field usage between residents and non-residents?

Response: According to the adopted cost recovery policy, fees are charged by user category, not by residency. Consequently, this information is not tracked. However, we can provide the total amount of fees paid by the non-residents based on the dollars contributed to the Wade Brummel Scholarship Program. The total amount contributed for the past two fiscal years is listed in the table, below.

Contributions to Wade Brummel Scholarship Fund

Fiscal Year	# of Groups	Total Dollars Collected
FY 2021/22	11	\$30,575
FY 2022/23	16	\$31,925
Total:	27	\$62,500

Question: Have the fees collected in prior years been used to improve fields?

Response: Prior to FY 2022/23, no fees were collected for the use of sports fields. Currently, limited fee revenues are used to help maintain the fields including but not limited to lawn maintenance, utilities for lights, watering of the fields, garbage cleanup, and pest control. The fees are also used to support on-site staffing for opening and closing facilities, restroom maintenance, performing safety checks, managing lost and found, monitoring permits for legal use of fields, and enforcement of facility rules. Reducing or waiving these fees will impact the City's ability to maintain and keep fields in good playing condition. It should be noted that the existing \$14/hour fee is in the 1%-20% cost recovery tier; consequently, the City is already subsidizing the majority of the costs associated with operating and maintaining the fields. In addition, fees for non-resident participants are appropriated to the Wade Brummel Scholarship

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program to afford the user groups the opportunity to provide scholarships for low-income participants and seek reimbursement for other eligible program costs.

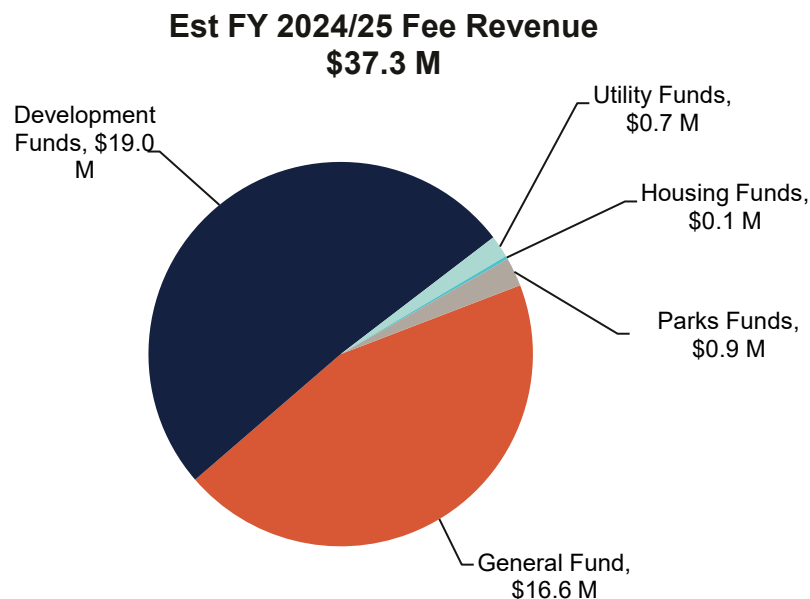
Question: Confirm the impact on the General Fund if the field rental fees for youth groups/non-profits was eliminated and what would be the potential service impacts?

Response: Assuming approximately 8,200 hours per year, the \$14 hourly fee for sports field rentals would generate approximately \$115,000. While this amount may appear to be minimal, to eliminate fees for one user group and not others creates an equity issue. As noted above, the City's experience is that there is greater fiscal accountability and better utilization of existing fields when a fee is imposed. In addition, elimination of fees would reduce the resources available to partially offset the costs of the field rentals and would reduce General Fund revenues that support many of the services used by our community (parks, field use, community centers, libraries, police and fire).

General Fee Information

Question: How much money is anticipated to be collected through fees?

Response: Per the User and Regulatory Fee study, fees are anticipated to generate \$37.3 million across the all funds (e.g., General Fund, development funds, Housing funds, parks funds, and utility funds).



Question: What is the magnitude of the fee changes being proposed?

Response: Per the User and Regulatory Fee study, the proposed fee changes are projected to generate \$1.1 million in additional revenue. This reflects an average increase of 3% to the fees.