

**City Manager's Report****November 10, 2015 City Council Meeting****Prepared by:** Steve Youel, Director of Community Services

Item #: 8.4

Subject: Adopt a resolution Approving Adult Sport Registration Fees Effective January 1, 2016 for the Following: 1.) Adult Softball Team Registration Fee of \$477 Per Team, 2.) Adult 5x5 Basketball Team Registration Fee of \$423 Per Team, 3.) Adult 3x3 Basketball Team Registration Fee of \$117 Per Team, and 4.) Adult 4x4 Volleyball Team Registration fee of \$147 Per Team.

Discussion: California's minimum wage will increase by one dollar to \$10.00 per hour effective January 1, 2016. This increase will have an impact on our Adult Sports Program which includes: Adult Softball, Adult 5x5 Basketball, Adult 3x3 Basketball, and Adult Volleyball.

Analysis: To establish new Adult Sports Program registration fees, staff surveyed similar agencies (see Attachment A), analyzed current user data, and attempted to establish fees that would generate additional revenue without discouraging program participation. Staff recognizes the importance of recreation programs remaining self-supporting. It is important to maintain a balance between revenue and expenditures within all programs. This can be accomplished through a variety of strategies including: a) increased user fees, b) increased program participation and attendance, and c) program reorganization.

Adult Softball

The City's Adult Softball League takes place at Lions Park and consists of three leagues a year. There is a spring, summer, and fall league. Leagues are played six nights a week from April through October. During the past three years, there was an average of 230 teams per year. In 2014 we had the highest number of teams in the past three years with 242 teams. Staff anticipates an average of 230 teams in 2015-16 fiscal year.

In addition to minimum wage increasing, the cost of softballs increased from \$35.50 per dozen to \$38.50 per dozen.

The following table shows the anticipated cost increases in the 2015-16 fiscal year:

Adult Softball	2014-15 Fiscal Year	2015-16 Fiscal Year	Total Increase
Part-Time Personnel Costs	\$20,698.00	\$22,675.00	\$1,977.00
Softballs	4,552.00	4,937.00	385.00
Total Increase	\$25,250.00	\$27,612.00	\$ 2,362.00

These increases will have a financial impact on the Recreation Division's annual operating budget for the 2015-16 fiscal year. In order to offset the additional expenditures in the Adult Softball League, staff is recommending a registration fee increase of \$11.00 from \$466.00 per team to \$477.00 per team effective for the Spring league of 2016. Although the increase will not be popular with the managers and players, it will put the City's fee in-line with similar agencies'

fees. The following table shows the total projected revenue increase based on the proposed registration fee:

Adult Softball # of Teams	Proposed Increase	Additional Revenue
230	\$11.00	\$2,530.00

Adult 5x5 Basketball

The City's Adult 5x5 Basketball League takes place at the El Dorado High School large gym and consists of four leagues a year. There are winter, spring, late summer, and fall leagues. Leagues are played on Sunday nights year round with the exception of a summer break due to the resurfacing of the gym floor at the high school. During the past three years, there was an average of 24 teams per year. Staff anticipates 30 teams in the 2015-16 Fiscal Year.

The following table shows the anticipated cost increase in the 2015-16 Fiscal Year:

Adult 5x5 Basketball	2014-15 Fiscal Year	2015-16 Fiscal Year	Total Increase
Part-Time Personnel Costs	\$3,331.00	\$3,701.00	\$370.00

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2015-16 Fiscal Year. In order to offset the additional expenditures in the Adult 5x5 Basketball League, staff is recommending a registration fee increase of \$13.00 from \$410.00 per team to \$423.00 per team effective January 2016. The increase will put the City's fee in-line with similar agencies' fees.

The following table shows the total projected revenue increase based on the proposed registration fee:

Adult 5x5 Basketball # of Teams	Proposed Increase	Additional Revenue
30	\$13.00	\$390.00

Adult 3x3 Basketball

The City's Adult 3x3 Basketball League takes place at the Markham Middle School gym. The Adult 3x3 Basketball League is conducted year round on Wednesday nights and consists of five leagues within the calendar year. During the past three years, there was an average of 45 teams per year. 2014 was a high year with 53 teams. Staff anticipates 38 teams in the 2015-16 Fiscal Year.

The following table shows the anticipated cost increase in the 2015-16 fiscal year:

Adult 3x3 Basketball	2014-15 Fiscal Year	2015-16 Fiscal Year	Total Increase
Part-Time Personnel Costs	\$2,078.00	\$2,309.00	\$231.00

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2015-16 fiscal year. In order to offset the additional expenditures, staff is recommending a registration fee increase of \$7.00 from \$110.00 per team to \$117.00 per team for the Adult 3x3 Basketball League, effective January 2016. This increase will put the City's fee in-line with similar agencies' fees.

The following table shows the total projected revenue increase based on the proposed registration fee:

Adult 3x3 Basketball # of Teams	Proposed Increase	Additional Revenue
38	\$7.00	\$266.00

Adult Volleyball

The City’s Adult 4x4 Volleyball League takes place at the Markham Middle School Gym. The Adult 4x4 Volleyball League runs year round on Thursday nights and consists of five leagues a year. During the past two years, there was an average of 30 teams per year. Staff anticipates 32 teams in the 2015-16 Fiscal Year.

The following table shows the anticipated cost increase in the 2015-16 fiscal year:

Adult Volleyball	2014-15 Fiscal Year	2015-16 Fiscal Year	Total Increase
Part-Time Personnel Costs	\$1,890.00	\$2,100.00	\$210.00

This increase will have a financial impact on the Recreation Division’s annual operating budget for the 2015-16 Fiscal Year. In order to offset the additional expenditures, staff is recommending a registration fee increase of \$7.00 from \$140.00 per team to \$147.00 per team for the Adult 4x4 Volleyball League, effective January 2016. The increase will put the City’s fee in-line with similar agencies’ fees.

The following table shows the total projected revenue increase based on the proposed registration fee:

Adult Volleyball # of Teams	Proposed Increase	Additional Revenue
32	\$7.00	\$224.00

Cost: Operational costs associated with conducting the City of Placerville’s Adult Sports Program has escalated to the point that staff is recommending a participant fee increase to take effect prior to the 2016 Winter Activity Guide being published in December 2015.

The following table identifies the overall additional expense and the additional projected revenue associated with each program.

Program	Additional Expenses	Additional Revenue	Balance
Adult Softball	\$2,362.00	\$2,530.00	\$168.00
Adult 5x5 Basketball	370.00	390.00	20.00
Adult 3x3 Basketball	231.00	266.00	35.00
Adult 4x4 Volleyball	210.00	224.00	14.00
Total	\$3,173.00	\$3,410.00	\$237.00

Budget Impact: These increases will impact the budget for the 2015-16 fiscal year. The proposed registration fee schedule is shown in Attachment B. With the proposed registration fees in place, the Adult Sports Program will likely remain self-supporting, assuming participation

levels remain consistent. Staff will continue to implement strategies to increase participation and analyze the effects of fee increases.


Alternatives:

1. Adopt the resolution approving the proposed the adult sport registration fees as presented.
2. Adult Softball - Switch from a two umpire system to a one umpire system for playoffs. Although this may not be a popular decision for returning teams, it will save teams' money and the fees could be reduced.

Recommendation: Adopt a resolution Approving Adult Sport Registration Fees Effective January 1, 2016 for the Following: 1.) Adult Softball Team Registration Fee of \$477 Per Team, 2.) Adult 5x5 Basketball Team Registration Fee of \$423 Per Team, 3.) Adult 3x3 Basketball Team Registration Fee of \$117 Per Team, and 4.) Adult 4x4 Volleyball Team Registration fee of \$147 Per Team.

Attachment A—Agency Program Fee Comparison

Attachment B—Proposed Registration Fee Schedule



M. Cleve Morris, City Manager



Steve Youel, Director of Community Services



Dave Warren, Director of Finance

ATTACHMENT A

**AGENCY PROGRAM FEE COMPARISON
as of October 2015**

	City of Placerville Proposed	City of Placerville Current	Auburn ARD	Cameron Park CSD	City of Folsom	El Dorado Hills CSD
Softball	\$477 (7 games plus playoffs to top 4 teams)	\$466 (7 games plus playoffs to top 4 teams)	\$250 (5 games) \$500 (10 games)	N/A	\$475 Residents \$560 Non- residents (7 games plus playoffs)	\$465 (7 games plus playoffs to top 4 teams)
Adult 5x5 Basketball	\$423 (7 games plus playoffs to top 4 teams)	\$410 (7 games plus playoffs to top 4 teams)	\$440 (10 games)	\$425 (7 games plus playoffs to top 4 teams)	\$450 Resident \$475 Non-Res (8 games plus playoffs to top 4 teams)	\$425 (7 games plus playoffs to top 4 teams)
Adult 3x3 Basketball	\$117 (7 games plus playoffs to top 4 teams)	\$110 (7 games plus playoffs to top 4 teams)	\$250 (10 games) Includes One Official	N/A	N/A	N/A
Adult Volleyball	\$147 (7 games plus playoffs to top 4 teams)	\$140 (7 games plus playoffs to top 4 teams)	\$175 (10 game season 1 ref) Women Only Once a year only.	\$5 Drop-In Sundays 4:30-6:00 No League	\$225 Resident \$255 Non-Res (8 games) 1 Official	N/A

ATTACHMENT B

City of Placerville Recreation and Parks Department

Proposed Registration Fee Schedule for Adult Sports Program
Fees to be effective January 2016

	CURRENT FEES	PROPOSED FEES
Softball	\$466.00	\$477.00
5x5 Basketball	\$410.00	\$423.00
3x3 Basketball	\$110.00	\$117.00
4x4 Volleyball	\$140.00	\$147.00

RESOLUTION NO _____

RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PLACERVILLE, APPROVING ADULT SPORTS PROGRAM
PARTICIPANT FEES

WHEREAS, the Community Services Department has an established policy that all recreational programs must remain self sufficient; and

WHEREAS, program self-sufficiency is defined as program fees equaling the direct costs related to operating each program; all part-time staff, materials, supplies, contracts and services necessary to offer the program.

WHEREAS, the current fees do not cover anticipated direct costs associated with the delivery of the programs, and the fees must be increased accordingly to cover the additional anticipated costs.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Placerville hereby approves the following fees: Adult Softball Team Registration - \$477.00, Adult 5X5 Basketball Team Registration - \$423.00, Adult 3X3 Basketball Team Registration - \$117.00, and Adult Volleyball Team Registration - \$147.00

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on November 10, 2015 by Councilmember _____ who moved its adoption. The motion was seconded by Councilmember _____.

The motion was passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor, Patricia Borelli

Attest:

Susan Zito, CMC, City Clerk