

City Manager's Report
September 25, 2018, City Council Meeting
Prepared by: Steve Youel, Director of Community Services
Item #: 8.5



Subject: Adopt a Resolution:

- 1.) Approving a \$12.00 increase to Adult 5x5 Basketball team registration fee from \$439 to \$451 per team effective January 1, 2019; and
 - 2.) Approving a \$5.00 increase to Adult 3x3 Basketball team registration fee from \$122 per team to \$127 effective January 1, 2019; and
 - 3.) Approving a \$10 increase to Adult 4x4 Volleyball team registration fee from \$155 per team to \$165 effective January 1, 2019; and
 - 4.) Approving a \$10 increase to Adult Softball team registration fee from \$499 per team to \$509 effective January 1, 2019.
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Purpose: To recover increased personnel costs associated with the delivery of the City's Adult Basketball, Adult Volleyball, and Adult Softball Programs.

Discussion: On January 1, 2018, California's minimum wage increased by \$0.50 to \$11.00 per hour and will increase again on January 1, 2019 by \$1.00 to \$12.00 per hour. These pay rate increases will have a financial impact on the City's Adult Basketball, Adult Volleyball, and Adult Softball programs.

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) increasing user fees, b) increasing program participation and attendance, and c) program reorganization.

Adult 5x5 Basketball

The City's Adult 5x5 Basketball League takes place at El Dorado High School in the large gym and consists of four leagues a year. There is a winter, spring, late summer, and fall league. Leagues are played on Sunday nights year round with the exception of a break during summer due to the resurfacing of the high school gym floor. During the past three years, there was an average of 20 teams that participated per year. Staff anticipates 20 teams to participate in the 2018-19 Fiscal Year.

The following table shows the anticipated cost increase in the 2018-19 Fiscal Year:

Adult 5x5 Basketball	Before Cost Increase	After Cost Increase	Total Increase
Part-Time Personnel Costs	\$2,528	\$2,758	\$230

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2018-19 fiscal year. In order to offset the additional expenditures in the Adult 5x5 Basketball League, staff is recommending a registration fee increase of \$12.00, from \$439.00 per team to \$451.00 per team, effective January 1, 2019. This will put the league 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
20	\$12	\$240

Adult 3x3 Basketball

The City's Adult 3x3 Basketball League takes place at Markham Middle School in the 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 40 teams that participated per year. Staff anticipates 40 teams to participate in the 2018-19 Fiscal Year.

The following table shows the anticipated cost increase in the 2018-19 Fiscal Year:

Adult 3x3 Basketball	Before Cost Increase	After Cost Increase	Total Increase
Part-Time Personnel Costs	\$2,117	\$2,309	\$192

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2018-19 fiscal year. In order to offset the additional expenditures in the Adult 3x3 Basketball League, Staff is recommending a registration fee increase of \$5.00 per team, from \$122.00 to \$127.00 per team, effective January 1, 2019. Of the agencies we surveyed, Placerville is the only one to offer a 3x3 basketball league.

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

Adult 3x3 Basketball # of Teams	Proposed Increase	Additional Revenue
40	\$5	\$200

Adult Volleyball

The City's Adult 4x4 Volleyball League takes place at the Markham Middle School in the gym. The Adult 4x4 Volleyball League runs year round on Thursday nights and consists of five leagues a year. During the past three years there was an average of 27 teams that participated per year. Staff anticipates 27 teams to participate in the 2018-19 Fiscal Year.

The following table shows the anticipated cost increase in the 2018-19 Fiscal Year:

Adult 4x4 Volleyball	Before Cost Increase	After Cost Increase	Total Increase
Part-Time Personnel Costs	\$2,309	\$2,519	\$210

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2018-19 fiscal year. In order to offset the additional expenditures in the Adult Volleyball League, staff is recommending a registration fee increase of \$10.00 per team, from \$155.00 to \$165.00 per team, effective January 1, 2019. This will put the league in-line with similar agencies fees.

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

Adult 4x4 Volleyball # of Teams	Proposed Increase	Additional Revenue
21	\$10	\$210

Adult Softball

The City's Adult Softball League takes place at Lions Park. The Adult Softball League runs early April through October six nights a week and consists of three leagues a year. During the past three years there was an average of 181 teams that participated per year. Staff anticipates 180 teams to participate in the 2018-19 Fiscal Year.

The following table shows the anticipated cost increase in the 2018-19 Fiscal Year:

Adult Softball	Before Cost Increase	After Cost Increase	Total Increase
Part-Time Personnel Costs	\$17,310	\$19,008	\$1,698

The increase will have a financial impact on the Recreation Division's annual operating budget for the 2018-19 fiscal year. In order to offset the additional expenditures in the Adult Softball League, staff is recommending a registration fee increase of \$10.00 per team, from \$499.00 to \$509.00 per team, effective January 1, 2019. This will put the league 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
180	\$10	\$1,800

Cost: Operational costs associated with conducting the City of Placerville's Adult Sports Programs has escalated to the point that staff is recommending a participant fee increase to take effect prior to the 2019 Winter Activity Guide being distributed in December 2018.

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

Program	Additional Expenses	Additional Revenue	Difference
Adult 5x5 Basketball	\$ 230	\$ 240	\$ 10
Adult 3x3 Basketball	192	200	8
Adult 4x4 Volleyball	210	210	0
Adult Softball	1,698	1,800	102
Total	\$ 2,330	\$ 2,450	\$ 120

Budget Impact: These increases will impact the budget for the 2018-19 Fiscal Year. The part-time salaries were accounted for in the adopted Fiscal Year 2018-2019 Operating Budget . The proposed registration fee schedule is located in Attachment B. As you can see, the \$2,330 in projected part-time personal cost increases are covered by the projected \$2,450 in projected revenues from the proposed fee increases for all four adult sport programs. With the proposed registration fees in place, the Adult Sports Programs 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.

Recommendation: Adopt a Resolution:

- 1) Approving a \$12.00 increase to Adult 5x5 Basketball team registration fee from \$439 to \$451 per team effective January 1, 2019; and
- 2) Approving a \$5.00 increase to Adult 3x3 Basketball team registration fee from \$122 per team to \$127 effective January 1, 2019; and
- 3) Approving a \$10 increase to Adult 4x4 Volleyball team registration fee from \$155 per team to \$165 effective January 1, 2019; and
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Steve Youel, Director of Community Services



M. Cleve Morris, City Manager



Dave Warren, Director of Finance

Attachment 1—Resolution

Attachment A—Agency Program Fee Comparison

Attachment B—Proposed Registration Fee Schedule

ATTACHMENT A**AGENCY PROGRAM FEE COMPARISON
as of August 2018**

	City of Placerville Proposed	City of Placerville Current	Auburn ARD	Cameron Park CSD	City of Folsom	El Dorado Hills CSD
Adult 5x5 Basketball	\$451 (7 games plus playoffs to top 4 teams)	\$439 (7 games plus playoffs to top 4 teams)	\$500* (10 games) Top 2 Playoffs	\$425 (8 games plus playoffs to top 4 teams)	\$475* Resident \$500* Non- Res (8 games plus playoffs to top 4 teams)	\$440* (7 games plus playoffs to top 4 teams)
Adult 3x3 Basketball No Officials	\$127 (7 games plus playoffs to top 4 teams)	\$122 (7 games plus playoffs to top 4 teams)	N/A	N/A	N/A	N/A
Adult Volleyball No Officials	\$165 (7 games plus playoffs to top 4 teams)	\$155 (7 games plus playoffs to top 4 teams)	N/A	N/A	\$235 Resident \$265 Non-Res (8 games) 1 Official	N/A
Adult Softball	\$509 (7 games plus playoffs to top 4 teams)	\$499 (7 games plus playoffs to top 4 teams)	\$500* (10 games)	\$470 7 games plus playoffs	\$490* Residents \$575* Non- residents (7 games plus playoffs)	\$490* (7 games plus playoffs to top 4 teams)

*2019 Fees

ATTACHMENT B

City of Placerville Recreation and Parks Department

**Proposed Registration Fee Schedule for Adult Sports Program
Fees to be effective January 1, 2019**

	CURRENT FEES	PROPOSED FEES
5x5 Basketball	\$439.00	\$451.00
3x3 Basketball	\$122.00	\$127.00
4x4 Volleyball	\$155.00	\$165.00
Softball	\$499.00	\$509.00