CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: May 13, 2009

To: Honorable Mayor & City Council

From: Steve Zoet, Assistant Director of Community Services/Recreation and Parks

Subject: Youth Sports Organizations Fee Proposal

Attachments:
1. Charts Associated with Proposed Options
   Attachment 1
   Attachment 2

Introduction

For the past several months, staff and the Recreation and Parks Commission have been in discussion regarding options on how to generate additional revenue to help offset the increasing costs associated with the upkeep and maintenance of City athletic fields and facilities and the growing cost to fund the Joint Powers Agreement between the City and Beverly Hills Unified School District. As the youth sports organizations are the primary users of all fields and facilities, the assessment of a use fee to all organizations was proposed.

Following are two fee options that are suggested for Council consideration and include issues to be aware of when weighing your decision. Members of the Commission unanimously endorsed Option #1 as stated below at their March 24th, 2009 meeting. Staff has included the proposed fees as stated in Option 1 within the Schedule of Taxes, Fees and Charges for 2009/10.

Discussion

Option #1

- Charge organizations a per hour rate of $35/hour for all uses, inclusive of fields, gyms and other indoor uses. Revenue potential for this action applied to current use standards would be approximately $288,600 annually. An additional fee of $10 per hour for cancellation or non-use of

reserved time would also be assessed in an effort to keep requested hours consistent with actual needs.

- In addition, organizations must maintain a minimum 60% resident / 40% non-resident participant ratio throughout the season. Those organizations with a higher than 40% non-resident ratio would be assessed a fee of $50 per non-resident player over the 40% cap. Anticipated revenue using current non-resident numbers for all sports groups equates to approximately $14,250 annually.
  - Currently a more carte blanche approach to field use is being used for youth sports. Youth organizations would have to submit their specific field requests and payment in advance. No refunds would be issued for any unused fields. Any additional field time would have to be requested and granted. The number of teams/players allowed on the field at one time would have to be established to avoid overcrowding and adverse impacts to the fields.
  - Use of an hourly fee may result in better accountability and more conscientious attention paid to scheduling when there is a cost per hour associated with use and penalties imposed for inaccuracies.
  - A more structured schedule could allow the public to reserve facilities and fields more than the current availability of 5 weeks during the summer.
  - This system will better assist the Park Rangers in determining correct group issued permit use of the field.
  - All youth sports organizations will likely have difficulty paying for their allotted times without imposing higher player fees. Sponsorships, fundraisers and other cost offsetting measures could be employed by each league to lessen the impact on their operation.

Please refer to Attachment 1 for information as to how this proposed option would affect each of the youth sports organizations based on information provided us. This attachment also includes some comparative analysis of reduced hourly fees should City Council wish to consider an amount less than what is being recommended by the Recreation and Parks Commission.

Option #2

- Assess a fee of $40 for Beverly Hills residents and $50 for non-residents which could result in approximate revenue of $196,000 based on current registrants.
  - Residency status can be difficult to assess. The larger youth sports organizations use on-line registration which provides privacy issues protecting information that can be obtained on minors. Participant code number and zip code is usually the only information currently provided to the City. Due to the "spillover" of the 90210 zip code, staff would have to review each participant's full address to determine residency which could be time consuming and commit resources that we do not have at present.

- The non-resident fee is recommended to be 25% higher than the resident fee which is consistent with the current policy and practice followed by the Recreation Division when determining fees for classes, camps and programs.

Please refer to Attachment 2 for information as to how this proposed option would affect each of the youth sports organizations based on information provided us.

Staff met with representatives from each of the youth sports organizations on May 5th to inform them of our intent to recommend the implementation of a user fee. Those in attendance were not receptive to the fees or structure proposed due to their beliefs that participants will choose to go elsewhere where fees are less. That occurrence would adversely affect their operations and could proportionately reduce the amount of forecasted revenues the City would receive if a player fee were to be assessed. If an hourly fee is adopted, as proposed, leagues would have to potentially spread increased costs over a reduced base, thereby driving up per participant costs even higher.

BACKGROUND

Following is the background information that was provided to the Commission and became the basis for their recommendation. The primary users of City and School District fields and athletic facilities are the six recognized youth sports organizations with whom we have a standing relationship. These include; American Youth Soccer Organization (AYSO), Beverly Hills Little League, Beverly Hills Basketball League, Beverly Hills Lacrosse, Beverly Hills Football League, and the Dynamo Sports Club (wrestling). These organizations are currently provided use of City and School District fields and facilities for purposes of practices, games and meetings at no cost. Extended seasons, post season play, area clinics and meetings, coach/referee trainings and tournaments are also accommodated whenever possible. Many sports organizations collect revenue in excess of expenses. The City has on occasion received some reimbursement for expenses covering repair costs associated with netting, backstops, and bases. The School District has also on occasion received donations, sports equipment and/or amenities provided to their school facilities.

Some organizations are currently charged field use fees for area tournaments or summer camps, but a more consistent policy needs to be developed. Costs are hard to calculate on a pure impact-only basis as some sports cause more field wear and tear due to their nature, while others require more day to day maintenance, and still others occupy only indoor School District facilities.

The most current registration numbers submitted by each organization are as follows:

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Organization	Residents	Non-Residents	Total
AYSO	1,123 (48%)	1,196 (52%)	2,319
Basketball League	940 (72%)	365 (28%)	1,305
Little League	408 (58%)	296 (42%)	704
Lacrosse Club	26 (64%)	14 (36%)	40
Westside Bruins Football	16 (53%)	14 (47%)	30
Dynamo Sports Club	20 (62.5%)	12 (37.5%)	32
TOTAL	**2,533 (57%)**	**1,897 (43%)**	**4,430**

Staff feels this to be an appropriate time to evaluate the assessment of fees for all youth sports organizations as our maintenance and operations costs incurred in support of the fields and amenities used by these groups continue to increase and the City's revenue base struggles against a stalled economy. All groups benefitting from the City's support are being reevaluated. Additionally, other cities have either imposed some form of use fees on their youth sports organizations or are contemplating doing so. Even with and through the assessment of fees, staff still views our arrangements with all organizations to be one of a strong partnership where value to each organization remains intact.

ANNUAL COSTS IN SUPPORT OF SPORTS FIELD AND FACILITY MAINTENANCE

Staff has assessed the valuation of our material and time costs associated with the support of all youth sports organizations on an annual basis. The sum of $378,416 has been determined as a conservative estimate of the direct maintenance and operations costs that we commit annually to supporting their operations. Administrative overhead, which is not a major investment in staff's time, has not been factored. Additionally, in applying the fees otherwise charged to outside user groups by the School District, use of their facilities by the various sports organizations equates to approximately $1,000,000 per year. As City Council is aware, the City also pays the School District an annual sum in excess of $10 million for use of their facilities and related benefits via the Joint Use Agreement. As previously stated, the youth sports organizations are the largest user of all District facilities yet are assessed no fees due to their affiliation with the City.

Fiscal Impact

Staff does not anticipate there to be any additional costs to the City with the implementation of a youth sports fee. Net new revenues to the City projected through the adoption of the proposed option would be approximately $300,000 annually based on information provided us through the leagues and assuming continued use trends. This amount also includes an amount of approximately $14,000 associated with an additional fee imposed on non-resident participants after a maximum percentage has been achieved.

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Recommendation
Staff view Option #1 as being the most fair, consistent and easily managed of the options and thus recommend its implementation for all youth sports organizations making use of City and School District grounds and facilities.

Staff recommends that during the formal meeting, the City Council adopts the newly proposed youth sports fees as contained in the fee schedule. The Community Services Department is prepared to discuss any changes or alternative recommendations to be considered by the City Council.

Steve Miller
Approved By

Youth Sports Fees 2009

Option #1 - Charge organizations a per hour rate of $35/hour for all uses, inclusive of fields, gyms and other indoor uses. An additional fee of $10 per hour for cancellation or non-use of reserved time.
Organizations must maintain a minimum 60% resident/40% non-resident participant ratio throughout the season. Those organizations with a higher than 40% non-resident ratio would be assessed a fee of $50 per non-resident player over the 40% cap.

Organization	Season Participant Registration	Resident	Non-resident	Season Hourly Use Fields/Facilities	Proposed **$35**/hour Fee	Proposed Over 40% NR Fee $50	Season Fee Total	Average Cost Increase Per Participant	Post Season Hourly Use Fields/Facilities	Proposed $35/hour Fee	**Yearly Fee Total**
AYSO	2,319	1,123 (48%)	1,196 (52%)	2,925	$102,375	$13,400	$115,775	$50	255	$8,925	**$124,700**
Little League	704	408 (58%)	296 (42%)	2,225	$77,875	$700	$78,575	$112	50	$1,750	**$80,325**
Basketball League	1,305	940 (72%)	365 (28%)	1,225	$42,875	$0	$42,875	$33	0	$0	**$42,875**
Lacrosse Club	40	26 (64%)	14 (36%)	118	$4,130	$0	$4,130	$103	30	$1,050	**$5,180**
Dynamo Sports Club	32	20 (62.5%)	12 (37.5%)	384	$13,440	$0	$13,440	$420	510	$17,850	**$31,290**
Football League	30	16 (53%)	14 (47%)	105	$3,675	$100	$3,775	$126	15	$525	**$4,300**
Triathlon Club	19	16 (84%)	3 (16%)	N/A							
TOTAL	**4,449**	**2,549 (57%)**	**1,900 (43%)**	**6,982**	**$244,370**	**$14,200**	**$258,570**	**average $141**	**860**	**$30,100**	**$288,670**

Organization	Season Participant Registration	Resident	Non-resident	Season Hourly Use Fields/Facilities	Option **$20**/hour Fee	Proposed Over 40% NR Fee $50	Season Fee Total	Average Cost Increase Per Participant	Post Season Hourly Use Fields/Facilities	Option $20/hour Fee	**Yearly Fee Total**
AYSO	2,319	1,123 (48%)	1,196 (52%)	2,925	$58,500	$13,400	$71,900	$31	255	$5,100	**$77,000**
Little League	704	408 (58%)	296 (42%)	2,225	$44,500	$700	$45,200	$64	50	$1,000	**$46,200**
Basketball League	1,305	940 (72%)	365 (28%)	1,225	$24,500	$0	$24,500	$19	0	$0	**$24,500**
Lacrosse Club	40	26 (64%)	14 (36%)	118	$2,360	$0	$2,360	$59	30	$600	**$2,960**
Dynamo Sports Club	32	20 (62.5%)	12 (37.5%)	384	$7,680	$0	$7,680	$240	510	$10,200	**$17,880**
Football League	30	16 (53%)	14 (47%)	105	$2,100	$100	$2,200	$73	15	$300	**$2,500**
Triathlon Club	19	16 (84%)	3 (16%)	N/A							
TOTAL	**4,449**	**2,549 (57%)**	**1,900 (43%)**	**6,982**	**$139,640**	**$14,200**	**$153,840**	**average $81**	**860**	**$17,200**	**$171,040**

Organization	Season Participant Registration	Resident	Non-resident	Season Hourly Use Fields/Facilities	Option **$15**/hour Fee	Proposed Over 40% NR Fee $50	Season Fee Total	Average Cost Increase Per Participant	Post Season Hourly Use Fields/Facilities	Option $15/hour Fee	**Yearly Fee Total**
AYSO	2,319	1,123 (48%)	1,196 (52%)	2,925	$43,875	$13,400	$57,275	$25	255	$3,825	**$61,100**
Little League	704	408 (58%)	296 (42%)	2,225	$33,375	$700	$34,075	$48	50	$750	**$34,825**
Basketball League	1,305	940 (72%)	365 (28%)	1,225	$18,375	$0	$18,375	$14	0	$0	**$18,375**
Lacrosse Club	40	26 (64%)	14 (36%)	118	$1,770	$0	$1,770	$44	30	$450	**$2,220**
Dynamo Sports Club	32	20 (62.5%)	12 (37.5%)	384	$5,760	$0	$5,760	$180	510	$7,650	**$13,410**
Football League	30	16 (53%)	14 (47%)	105	$1,575	$100	$1,675	$56	15	$225	**$1,900**
Triathlon Club	19	16 (84%)	3 (16%)	N/A							
TOTAL	**4,449**	**2,549 (57%)**	**1,900 (43%)**	**6,982**	**$104,730**	**$14,200**	**$118,930**	**average $61**	**860**	**$12,900**	**$131,830**

Youth Sports Fees 2009

Option #2 - Assess a fee of $40 for Beverly Hills Residents and $50 for non-residents.

Organization	Season Participant Registration	Resident	Non-resident	Proposed Resident Player Fee $40	Proposed Non-resident Player Fee $50	Season Fee Total
AYSO	2,319	1,123 (48%)	1,196 (52%)	$44,920	$59,800	**$104,720**
Little League	704	408 (58%)	296 (42%)	$16,320	$14,800	**$31,120**
Basketball League	1,305	940 (72%)	365 (28%)	$37,600	$18,250	**$55,850**
Lacrosse Club	40	26 (64%)	14 (36%)	$1,040	$700	**$1,740**
Dynamo Sports Club	32	20 (62.5%)	12 (37.5%)	$800	$600	**$1,400**
Football League	30	16 (53%)	14 (47%)	$640	$700	**$1,340**
Triathlon Club	19	16 (84%)	3 (16%)	$640	$150	**$790**
TOTAL	**4,449**	**2,549 (57%)**	**1,900 (43%)**	**$101,960**	**$95,000**	**$196,960**