

## City Council Report

**Date:** March 14, 2016  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Marc Heirshberg, Director Parks, Recreation and Community Facilities  
**Subject:** Parks, Recreation and Commercial Facilities Department Fees and Charges (Citywide)

### Strategic Initiatives



### Purpose and Recommendation

The purpose of this report is to submit for review and consideration recommended changes to fees and charges for certain services provided by the Parks, Recreation and Community Facilities (PRCF) Department.

The PRCF Department, in conjunction with the Parks and Recreation Advisory Board, requests Council approval of changes for the recommended FY15-16 and FY16-17 Schedule of Fees and Charges, as outlined in this report and detailed in the attached Exhibit "A" and Exhibit "B". The FY16-17 Schedule of Fees and Charges in its entirety is attached and incorporated in final to the Resolution accompanying this Report, and includes the revised charges as well as those which are not changed for the next year. The Fees and Charges will be effective as of April 1, 2016 to coincide with the historical practice of the PRCF Department.

### Background

The PRCF Department offers diversified programs and services at facilities that include parks, recreation centers, swimming pools, a golf course, stadiums, convention center, amphitheater and cemetery. The Department relies on its ability to generate revenues via fees and charges to provide these services and maintain its facilities. Fees and charges are continually monitored in order to adapt to current market and economic conditions.

Each year in October, PRCF staff contact neighboring municipalities to gather data to compile a market comparison survey of fees and charges for similar program and service offerings. The Parks and Recreation Advisory Board Fees and Charges Subcommittee members review and consider changes to the fee schedule and make decisions based on participant capacity, market demands, and fee structures of other

cities. The recommended fees as outlined in this report were approved by the Parks and Recreation Advisory Board on November 18, 2015. With the majority of changes being focused on fee structure simplification, terminology/verbiage changes, a 5% increase in Convention Center fees and minor range adjustments in other programs and services to allow for market flexibility.

Due to the minimal modifications to the Schedule, the proposed changes were reviewed with the Audit, Finance and Enterprise Committee Chair on November 19, 2015, and it was suggested to forward the changes directly to Council without a presentation to the full Committee.

## **Discussion**

The Department is proposing ranges for program fees which will allow for maximizing capacity in programs while providing flexibility to adjust fees to achieve cost recovery and respond to changes in market conditions. Detailed below are the related programs with new or adjusted fee ranges recommended for approval.

### **Commercial Facilities:**

There is no fiscal impact with the changes recommended in the Commercial Facilities.

#### ***Mesa Cemetery***

Remove duplication of certain fees.

#### ***Dobson Ranch Golf Course***

Adjust verbiage of certain fees.

#### ***Mesa Convention Center and Amphitheater***

Adjust fee ranges by approximately 5% and or add a range to the fee to allow for flexibility to adjust based on market conditions. There is minimal anticipated FY16/17 fiscal impact as large events are contracted 18-months in advance. Fiscal impact is expected to be long-term. Prices in affect when contracts are entered into will be honored.

### **Parks and Recreation:**

There is no fiscal impact with the changes recommended in the Parks and Recreation Fees.

#### ***Aquatics***

Adjust verbiage and remove duplicated fees and charges.

#### ***Park Use Options***

*Beer Permits range adjustment.* Adjusting fee to allow flexibility to charge prices similar to other communities

***Park Use.*** Add units to certain fees and remove duplicated fees.

### ***Recreation Center/Gymnasiums***

*Red Mountain Multigenerational Center.* Change age range on passes to align with Family Passes.

In addition to the proposed fees and charges changes, the Department is also proposing that the Department name in the Schedule be changed from “Parks, Recreation and Commercial Facilities” to the new Department name, “Parks, Recreation and Community Facilities”.

### **Alternatives**

1. Take no action. Maintain the fees and charges for services provided by the Department at current levels. No fiscal impact on current revenue projections based on the existing fee structure would result.
2. Recommend alternative adjustments to the proposed fees and charges. The fiscal impact of this decision would depend on the changes proposed.

### **Fiscal Impact**

There is no anticipated fiscal impact to the adjustments outlined in this report. Recommended changes continue to simplify the PRCF Fees and Charges Schedules and maintain current cost recovery goals of the PRCF’s vastly diverse programming while also recognizing Parks and Recreation’s role in the community to provide affordable, accessible programs and facilities to its citizens. Staff continues to reassess cost recovery strategies in all programs and also pursues opportunities for maximizing revenue generation through program partnership and sponsors.

### **Coordinated With**

The Parks and Recreation Advisory Board concurred unanimously with the recommendations to the Fees and Charges Schedule on November 18, 2015, and by the Audit, Finance and Enterprise Committee Chair on November 19, 2015.