

“Placerville, a Unique Historical Past Forging into a Golden Future “



City Manager’s Report
July 10, 2018, City Council Meeting
Prepared by: Steve Youel, Director of Community Services
Item#: 8.13

Subject: Adopt a Resolution:

- 1.) Approving a \$5.00 increase in the Youth Basketball early bird player registration fee from \$102.00 to \$107.00 per player effective July 1, 2018; and
- 2.) Approving a \$5.00 increase in the Youth Basketball post early bird player registration fee from \$112.00 to \$117.00 per player effective July 1, 2018.

Purpose: To recover increased personnel costs associated with the delivery of the City’s Youth Basketball Program.

Discussion: The Youth Basketball League has been a popular program conducted by Staff and Volunteer Coaches for over 45 years. The program started out with 6 teams and has grown to 80 teams participating each season. The City’s Youth Basketball League runs from January through mid-March. During the past 3 years, there was an average of 773 players participating on 82 teams. The City’s Youth Basketball League uses 12 different gyms and relies on 7 different school districts in the area. Teams practice one night a week and games are played on Saturdays and Sundays. The last time registration fees were increased for Youth Basketball was in 2017.

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 Youth Basketball program. In addition to minimum wage increasing, the cost of basketballs will increase \$1.00 from \$10.00 to \$11.00 per ball. All teams are provided with two practice balls.

Analysis: To establish new 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.

The following table shows the actual number of players and teams over the past three years and the projected numbers for Fiscal Year 2018/2019:

Youth Basketball	2015-16 Fiscal Year	2016-17 Fiscal Year	2017-18 Fiscal Year	Projected 2018-19 Fiscal Year
Number of	80	84	82	82

Teams				
Number of Players	764	785	771	775

As a thank you for all the time and hard work and as an incentive to find enough volunteer coaches, the Head Coaches' child's registration is free. During the 2017-18 seasons, there were 82 players in the league who were coach's children.

The following table shows the anticipated costs before and after the increases in the minimum wage and basketball increases:

	Before Cost Increases	After Cost Increases	Increase
Part-Time Personnel Costs	\$29,100	\$31,969	\$2,869
Basketballs	1,950	2,122	172
Total Increase	\$31,050	\$34,091	\$3,041

These increases will have a financial impact on the Recreation Division's annual operation budget for the 2018-19 fiscal year. In order to offset the additional expenditures in the Youth Basketball League, Staff is recommending a fee increase, effective July, 2018, of \$5.00 from \$102.00 to \$107.00 per player for early bird registration and from \$112.00 to \$117.00 per player for players who sign up after the early bird registration. The increase of registration fees will put the City's fees in-line with similar agencies. (See Attachment A)

The following table shows the total projected revenue increase based on the proposed fee and last year's paid participants:

2017-18 Paid Participants	Additional Expenditures	Additional Revenue
689	\$3,041	\$3,445

Cost: Operational costs associated with conducting the City's Youth Basketball Program has escalated to the point that Staff is recommending fee increases to take effect prior to leagues that start in or after January 1, 2019. The following table identifies the overall additional expenses and the additional projected revenue associated within the programs.

Additional Expenses	Additional Revenue	Difference
\$3,041	\$3,445	\$404

Budget Impact: These increases were assumed in the adopted budget for the 2018-19 Fiscal Year. The proposed fee schedule is located in Attachment B. With these recommended fees in place, Youth Basketball will likely remain self-supporting, assuming participation levels remain consistent. Staff will continue to implement strategies to increase participation and analyze the effects of the proposed fee increases.

Recommendation: Adopt a Resolution:

- 1.) Approving a \$5.00 increase in the Youth Basketball early bird player registration fee from \$102.00 to \$107.00 per player effective July 1, 2018; and
- 2.) Approving a \$5.00 increase in the Youth Basketball post early bird player registration fee from \$112.00 to \$117.00 per player effective July 1, 2018.



M. Cleve Morris, City Manager



Steve Youel, Director of Community Services



Dave Warren, Director of Finance

Attachments:

1. *Resolution*
2. *Fee Comparison*
3. *Proposed Fee*