

City of Placerville
M E M O R A N D U M

DATE: August 23, 2007

TO: City Council

FROM: Steve Youel, Director of Community Services

SUBJECT: **YOUTH BASKETBALL PARTICIPANT FEE INCREASE**

RECOMMENDATION

That the City Council adopt a resolution approving the 2008 Youth Basketball season fee schedule.

BACKGROUND

The City of Placerville Recreation and Parks Department's Youth Basketball League has been a popular program conducted by City staff and volunteers for over forty years. The program started out with six teams and has grown to one hundred and five teams participating last year. Boys and girls are placed on teams based on age and grade (see attached Youth Basketball Flyer). Approximately ten years ago, a first and second grade division was added to the program. The first and second grade format was considerably different from other divisions within the league. The most significant differences were that first and second graders did not practice during the week and their season was shorter. Given the original first and second grade division format, a reduced price was warranted. Over time, the first and second grade division has changed to mirror the format of the other divisions within the league. It is for this reason that staff is recommending a more substantial increase to the first and second grade division.

The last revision to the City's Youth Basketball participant fee took place in 2006. Since 2006, costs associated with implementing the program have increased. As a result, staff is recommending an increase to participant fees for the 2007/2008 season.

Program fees have always been a delicate balance with several factors to consider. It is important that our programs are affordable and that we remain competitive with existing programs in the surrounding area. It is also understood that we must reach a level of self sufficiency that does not place a burden on the community to subsidize recreational programs. Our users have generally been very understanding of the fact that fees must pay for the bulk of the programs offered to the community.

ANALYSIS

Every effort is made to make recreation programs self supportive. In order to meet this goal, staff is recommending an \$18.00 increase to the participant fee for 1st and 2nd grades and a \$3.00 increase for 3rd – 8th grades for the upcoming 2007/2008 season. Assuming participation remains consistent with last year; this increase should adequately cover the growing costs associated with conducting the program and at the same time remain comparable to what similar agencies are charging. Staff recommends adjusting the fees so that they are the same for all divisions. All divisions receive one practice per week and one game per week for eight to ten weeks.

The following table identifies last year's participation fees and the proposed fees for this season:

Grade Level	2006/2007 Participation Fees	Proposed 2007/2008 Participation Fees
Grades 1 and 2	\$69.00	\$87.00
Grades 3 through 8	\$84.00	\$87.00

The following table illustrates what neighboring Recreation and Parks Departments are charging for similar Youth Basketball Programs:

Agency	2007/2008 Participation Fee
Auburn	\$100.00
Cameron Park	\$84.00
El Dorado Hills	\$115.00
Folsom (FYBA)	\$75.00 - \$85.00

The cost of providing service is going up due to the following circumstances:

Minimum Wage Increase Effective January 2008

California's minimum wage will be increasing fifty cents to \$8.00 per hour on January 1, 2008. This increase will increase all part-time staff positions by 6.67% which will have a financial impact on the Recreation Department's budget this fiscal year and in the future.

Facility Use

Practices and games are held exclusively at local school gymnasiums throughout the Western Slope of El Dorado County. As operating costs associated with the maintenance and operation of school gymnasiums have grown, so has the need to pass those costs on

in the form of facility use fees to the City. Each school district has established an hourly facility use fee or a lump sum use fee. These fees are typically charged at a reduced rate to the City and are intended to cover the direct costs associated with utilities and routine maintenance. Hourly facility use rates vary from a low of \$7.00 per hour to a high of \$18.00 per hour.

Contract with Gold Country Officials Association

Game officials are currently provided by Gold Country Officials Association. The City enters into an annual agreement with the Association to provide this service. There was a small increase to the official's compensation last year when we increased the participant fee. In 2005, the City paid \$18.00 per game. The City currently pays \$19.00 per game and staff anticipates a slight increase beginning January 1, 2008.

Coaches Certification Program

Each year volunteer coaches are encouraged by the City to take part in the Youth Sports Coaches' Training that is provided by the National Youth Sports Association. This program consists of eight hours of training and has a cost of \$20.00 per coach. The City pays for this training. Due to the popularity of this program, more coaches are electing to take part thus more money is being spent on training.

FISCAL IMPACT

Fees for recreation programs are established with the following goals: (a) Make the programs affordable to the community (b) Reach a level of self-sufficiency for each program and (c) Establish fees that are comparable with like programs of agencies in the area. Self-sufficiency is defined as fees to equal the direct costs of operating each program. Direct costs include; all part-time staff, materials, supplies, contracts and services necessary to offer the program.

Staff is projecting a direct cost increase of approximately \$9,000.00 for the 2008 Youth Basketball season. The following table identifies anticipated expenditures for this years program:

Budget Item	2008 Projected Expenditures
Part-Time Salaries (Scorekeepers/Gym Supervisors)	\$30,955.00
Officials (Contract Services)	\$14,615.00
Facility Rentals (Gymnasiums)	\$13,727.00
Supplies (Awards/T-Shirts)	\$18,000.00
Total	\$77,297.00

The anticipated operational expenditures for this program will be covered by a combination of the proposed fee increase and other revenue sources (see table below):

Revenue Source	2008 Projected Proceeds
Participant Registration (with proposed increase)	\$72,297.00
Team Sponsorships	\$3,500.00
Team Picture and Basketball Sales	\$1,500.00
Total	\$77,297.00

The City's proposed fees are competitive with other agencies in the surrounding area and achieve the City's goals of keeping the program affordable for the community. The proposed increase in fees will ensure that projected program revenue will cover direct costs of the program. Without the proposed fee increase, the program will fall short of the City's goal of keeping the program self-sufficient.

Prepared by:

Steve Youel, Director of Community Services

Attachments - 2007-08 Youth Basketball Flyer

Approved for Submittal to City Council: Reviewed for Fiscal Analysis:

John Driscoll,
City Manager/City Attorney

Dave Warren,
Finance Director

RESOLUTION NO _____

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PLACERVILLE, APPROVING YOUTH BASKETBALL
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 Youth Basketball participant 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 Youth Basketball participant fee of \$87.00 per player.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on August 28, 2007 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, Mark A. Acuna

Attest:

City Clerk, Susan Zito