

City Manager's Report**December 12, 2017 City Council Meeting****Prepared by: Steve Youel, Director of Community Services****Item #: 8.7**

Subject: Adopt a Resolution: 1.) Approving a \$2 increase in the Adult 3x3 Basketball team registration fee from \$120 to \$122 per team effective January 1, 2018; and 2.) Approving a \$4 increase in the Adult 4x4 Volleyball team registration fee from \$151 to \$155 per team effective January 1, 2018.

Discussion: California's minimum wage will increase by \$.50 to \$11.00 per hour effective January 1, 2018. This increase will have an impact on our Adult 3x3 Basketball and Adult 4x4 Volleyball leagues.

Analysis: To establish new 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) Increased user fees, b) Increased program participation and attendance, and c) Program reorganization.

Adult 3x3 Basketball

The City's Adult 3x3 Basketball League takes place at the Markham Middle School 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 44 teams per year. Staff anticipates 44 teams in the 2017-18 Fiscal Year.

The following table shows the anticipated cost increase in the 2017-18 Fiscal Year:

Adult 3x3 Basketball	Current Cost	Proposed Cost	Total Increase
Part-Time Personnel Costs	\$2,020	\$2,116	\$96

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2017-18 Fiscal Year. In order to offset the additional expenditures, Staff is recommending a registration fee increase of \$2 from \$120 per team to \$122 per team for the Adult 3x3 Basketball League, effective January 2018. This increase will put the City's fee in-line with similar agencies' fees.

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

Adult 3x3 Basketball # of Teams	Proposed Increase	Additional Revenue
44	\$2	\$88

Adult 4x4 Volleyball

The City's Adult 4x4 Volleyball League takes place at the Markham Middle School Gym. The Adult 4x4 Volleyball League runs year round on Thursday nights and consists of five leagues a year. During the past two years, there was an average of 24 teams per year. Staff anticipates 24 teams in the 2017-18 Fiscal Year.

The following table shows the anticipated cost increase in the 2017-18 Fiscal Year:

Adult 4x4 Volleyball	Current Cost	Proposed Cost	Total Increase
Part-Time Personnel Costs	\$2,204	\$2,309	\$105

This increase will have a financial impact on the Recreation Division's annual operating budget for the 2017-18 Fiscal Year. In order to offset the additional expenditures, Staff is recommending a registration fee increase of \$4 from \$151 per team to \$155 per team for the Adult 4x4 Volleyball League, effective January 2018. The increase will put the City's fee 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
24	\$4	\$96

Options:

1. Adopt the resolution approving the proposed the Adult 3x3 Basketball and Adult 4x4 Volleyball registration fees as presented.
2. Do not adopt the proposed fees and look for other solutions.

Cost: Operational costs associated with conducting the City of Placerville's Adult 3x3 Basketball and 4x4 Volleyball Programs have escalated to the point that staff is recommending a participant fee increase to take effect January 2018.

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

Program	Additional Expenses	Additional Revenue	Balance
Adult 3x3 Basketball	\$96	\$88	-\$8
Adult 4x4 Volleyball	\$105	\$96	-\$9
Total	\$201	\$184	-\$17

Budget Impact: These increases will impact the budget for the 2017-18 fiscal year. The proposed registration fee schedule is shown in Attachment B. With the proposed registration fees in place, the Adult 3x3 Basketball and 4x4 Volleyball 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 \$2 increase in the Adult 3x3 Basketball team registration fee from \$120 to \$122 per team effective January 1, 2018; and 2.) Approving a \$4 increase in the Adult 4x4 Volleyball team registration fee from \$151 to \$155 per team effective January 1, 2018.



M. Cleve Morris, City Manager



Steve Youel, Director of Community Services



Dave Warren, Director of Finance

Attachment A—Agency Program Fee Comparison

Attachment B—Proposed Registration Fee Schedule

ATTACHMENT A

AGENCY PROGRAM FEE COMPARISON
as of October 2017

	City of Placerville Proposed	City of Placerville Current	Auburn ARD	Cameron Park CSD	City of Folsom	El Dorado Hills CSD
Adult 3x3 Basketball	\$122 (7 games plus playoffs to top 4 teams)	\$120 (7 games plus playoffs to top 4 teams)	N/A	N/A	N/A	N/A
Adult 4x4 Volleyball	\$155 (7 games plus playoffs to top 4 teams) No Officials	\$151 (7 games plus playoffs to top 4 teams) No Officials	N/A	N/A	\$235 Resident \$265 Non-Res (8 games) 1 Official	N/A

ATTACHMENT B

City of Placerville Recreation and Parks Department

**Proposed Registration Fee Schedule for Adult Sports Program
Fees to be effective January 2018**

	CURRENT FEES	PROPOSED FEES
3x3 Basketball	\$120	\$122
4x4 Volleyball	\$151	\$155