

# Direct and Indirect Service Fees

Public Hearing



# P&CS- Mission



PARKS AND  
COMMUNITY  
SERVICES

The Mission of Parks & Community Services to plan, facilitate, promote, maintain, and develop activities and facilities that enhance the quality of life in the City of Merced.

This is accomplished through both direct and indirect services

- Direct Services- Programs, events, services
- Indirect- operating fields, facilities, venues

In order to reduce the reliance on the general fund to cover the expenses of service, the Department employs a cost recovery model through service fees adopted by Council through resolution.

These fees were last updated in 2023.



# P&CS- Increasing Expenses



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Since the most recent fee schedule was adopted in 2023, wages, materials, and maintenance expenses have increased significantly

- California minimum wage has increased about 10%.
- Operational costs for equipment, materials, and supplies have also increased at approximately 10%.
- Increased resource allocation due to vandalism have also increased costs for field and facility maintenance.



# P&CS- Direct Services



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While the department does its best to recruit volunteers, staff are required for all activities to ensure efficient standards of practice, safety, and quality of service.

- Contracts, Grants and Scholarships reduce cost for participation but are not covering all expenses of department
- Current cost per service hour equates to \$4.00 per hour
  - \$80 per season, 20 hours of service
- Requesting to adjust program fee to cover \$5.00 per hour of service
  - \$100 per season, 20 hours of service
    - \$120 Non-Resident Fee



# P&CS- Indirect Services



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P&CS offers a variety of venues for sports and community activities including, fields, classrooms, outdoor stages, and indoor halls.

- The current fees associated with field and facility use cannot support internal nor contracted services to manage recreational facilities.
- Model for field and facility rentals includes:
  - Base rental fee- fee depends on venue
  - Non- profit fee- 50% off rental fee
    - Expensive to process and cannot control quantity
  - Co-sponsored fee- Fee reduction or waived, requires Department or Council approval depending on Facility
    - Most expensive to provide but easier to control with threshold (budget/time)

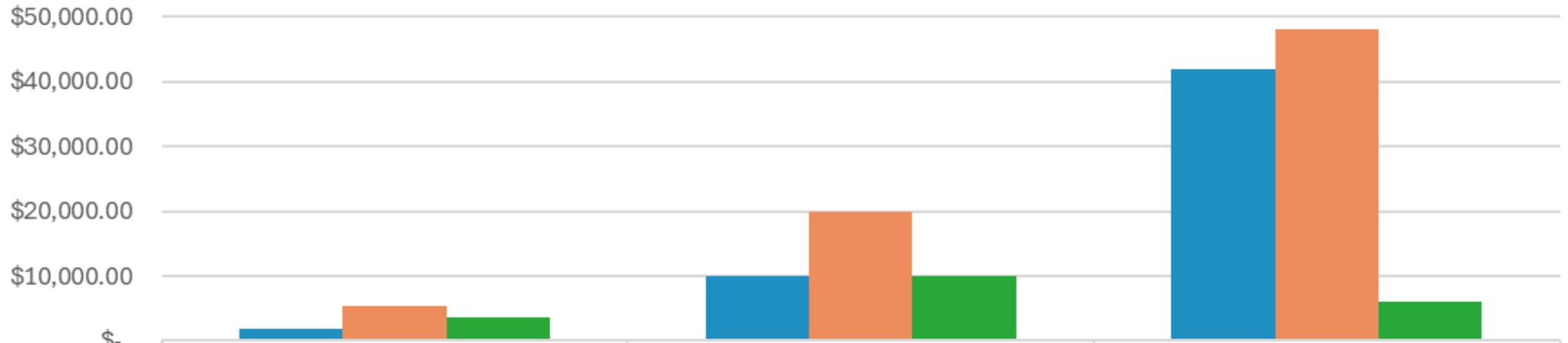


# P&CS- Indirect Services



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Field Rental Report 24/25



	Joe Herb (Tournament per day)	Nannini (2 Clubs, 4 Seasons, 2 co-sponsored)	McNamara Grass/Turf (2 Clubs, 8 Seasons, 1 co-sponsored)
■ Total Current Rev.	\$1,800.00	\$10,000.00	\$42,000.00
■ Potential Full Rate Rev.	\$5,400.00	\$20,000.00	\$48,000.00
■ Loss in Rev.	\$3,600.00 66% Loss	\$10,000.00 50% Loss	\$6,000.00 13% Loss

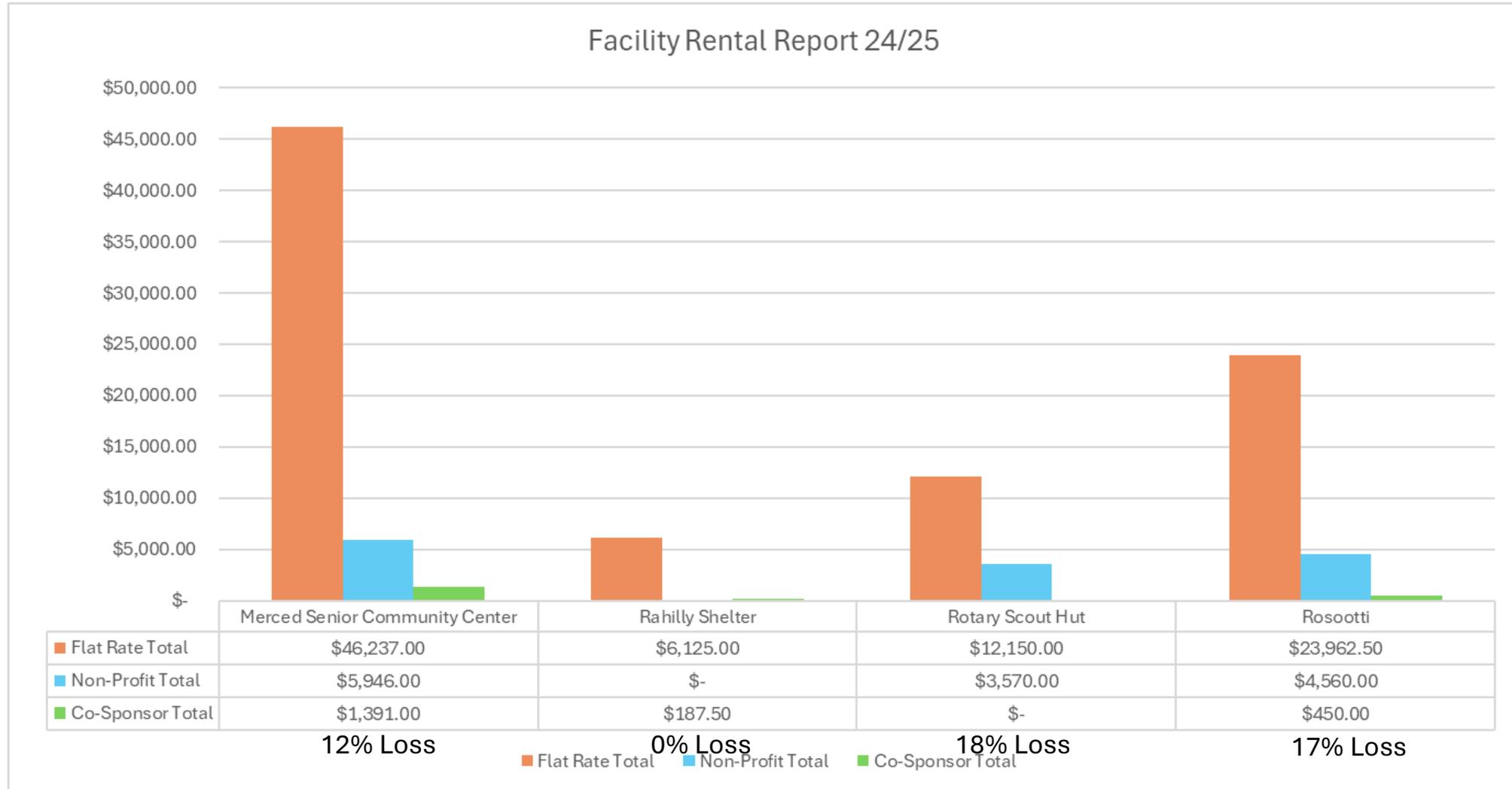
■ Total Current Rev. ■ Potential Full Rate Rev. ■ Loss in Rev.

While these activities result in the same expense as private reservations, they are subsidized at an unaffordable rate due to the loss in revenue.

# P&CS- Indirect Services



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# P&CS- Addition of Bob Hart Plaza



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The area was expanded to include a new event venue (Plaza) with a performance stage to serve as an anchor for downtown activities, celebrations, and performances.

- Bob Hart Square in totality is the larger area between Main Street and 16<sup>th</sup> Street
- Plaza is specific area between the alley and 16<sup>th</sup> Street.
  - This area will be made available through the Parks & Community Services Department as with other Recreation Facilities
  - Any events that require use of space beyond the Plaza will require Application for use of City Real Property and would be coordinated with Planning, Public Works, and Police Department
    - Would require Council approval
- Supporting the use of the new Plaza will require implementation of ordinance and policies that limit street closures and use of other City Real Property (parking lots, public right of way, garages, etc.)



# P&CS- Cost Recovery For Public Events



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Longstanding events that utilize City real Property or require street closures include parades, festivals, farmers markets and several others.

The costs associated with these activities and the ways to cover them are beyond the scope of this public hearing and are not managed by Parks & Community Services.



# P&CS- Open the Public Hearing



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