

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA AMENDING CERTAIN SECTIONS OF
CHAPTER 7 (RECREATION) OF THE CITY'S MASTER FEE
SCHEDULE

WHEREAS, the City of Chula Vista hired a national consultant firm, PROS Consulting Inc., to conduct a Cost Recovery, Resource Allocation and Revenue Enhancement Study; and

WHEREAS, a project team was established with City staff from the Recreation, Public Works (Operations) and Finance Departments to work with PROS Consulting to review current practices and existing policies, identify true costs of operations and organizational sustainability, and develop a dynamic and realistic action plan to recover costs and be financial sustainable; and

WHEREAS the Cost Recovery, Resource Allocation and Revenue Enhancement Study prepared by PROS Consulting Inc. resulted in an analysis of pricing and operational strategies and working methodologies were developed, including a schedule of recommended fees; and

WHEREAS, it is recommended that the City adopt pricing strategies for programs based on exclusivity of use and levels of individual versus community benefit; and

WHEREAS, this philosophy serves the public interest by ensuring that core programs have the highest level of general fund subsidy while value-added programs have the lowest level of general fund subsidy; and

WHEREAS, programs will be categorized into classifications based on cost recovery goals as Core/Essential Programs (0% - 30% cost recovery), Important Programs (31% - 70% cost recovery), and Value-Added Programs (71% - 100% cost recovery); and

WHEREAS, it is recommended that the City offer base prices with resident and/or non-profit discounts; and

WHEREAS, it is recommended that the City offer differential and tiered pricing rates for all offerings; and

WHEREAS, a tiered pricing structure that accounts for differential pricing strategies such as resident/non-resident, prime time/non-prime time, quality of instructor, and length of stay pricing ensures the pricing accurately reflects the value of the experience and accounts for elasticity of demand, as noted in the considerations of the Citywide Cost Recovery Policy 159-03; and

WHEREAS, it is recommended that the Recreation Department annually update the cost of service model, continuing to track direct, indirect and overhead costs to identify the true cost of offering a service; and

WHEREAS, after identifying the true cost of providing a service, the data will be analyzed against the classification of the program and the desired full cost recovery percentage to derive the recommended base fee and recommended resident discounted fee; and

WHEREAS, it is recommended that the City seek non-traditional funding sources, such as exploring sponsorship opportunities, naming rights, or identifying potential crowdfunding projects; and

WHEREAS, as identified in the Citywide Cost Recovery Policy 159-03, the target cost recovery goals for the Recreation Department will remain 30% - 70%; and

WHEREAS, the proposed fees do not exceed the estimated reasonable cost of providing the associated services; and

WHEREAS, Article XIII C of the California Constitution requires a vote of the electorate to increase any levy, charge, or exaction imposed by a local government, unless specifically exempted; and

WHEREAS, pursuant to the provisions of Article XIII, the proposed fees are exempt from the vote requirement;

WHEREAS, the proposed amendments to the Master Fee Schedule Chapter 7 shall not become effective until April 1, 2018, the beginning of the Spring Quarter of fiscal year 2017-18.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chula Vista does hereby amend certain sections of Chapter 7 (Recreation) of the City's Master Fee Schedule as reflected on Exhibits 1 and 2 to this Resolution.

Presented by

Approved as to form by

Tim Farmer
Principal Recreation Manager

Glen R. Googins
City Attorney