



## City Council Staff Report

DATE: MAY 7, 2014

NEW BUSINESS

SUBJECT: PROPOSED RESOLUTION MODIFYING RECREATION DAY CARE PROGRAM FEES "FOR KIDS ONLY" (FKO), "TINY TOTS" AND "SUMMER CAMP" PROGRAMS

FROM: David H. Ready, City Manager

BY: Parks and Recreation

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### SUMMARY

Periodically, the City's Comprehensive Fee Schedule is amended to incorporate proposed fee changes for various City services. City Staff is recommending the City Council increase user fees for three recreation day care programs (For Kids Only, Tiny Tots and Summer Camp) as part of the budget preparation for Fiscal Year 2014 – 15.

### RECOMMENDATION:

Adopt Resolution No. \_\_\_\_\_, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MODIFYING USER FEES FOR CERTAIN RECREATION DAY CARE PROGRAMS (FOR KIDS ONLY, TINY TOTS AND SUMMER CAMP) AND AMENDING THE COMPREHENSIVE FEE SCHEDULE ADOPTED BY RESOLUTION NO. 21578 AS AMENDED."

### STAFF ANALYSIS:

Pursuant to California law, the City can set and collect user fees for certain programs that benefit a specific user rather than the public at large. Fees, as opposed to taxes, must be for the actual cost of the program, including any administrative costs.

The City has hired a fee consult to review and calculate all fees charged by the City. However, in the interim, the City has been subsidizing three recreational day care programs approximately \$200,000 over and above the amount of fees collected for these programs. City staff and the Parks and Recreation Commission recommends the City Council increase the current fees for the following day care programs: (i) For Kids Only (FKO), (ii) Tiny Tots and (iii) Summer Camp Programs, during the current budget preparation cycle. The fees for these three programs have not been increase since July, 2008.

ITEM NO. 66

**For Kids Only (FKO)**

FKO is a ten-month after school program for children in grades 1 to 8, conducted Monday thru Friday from 3:00 p.m. to 6:00 p.m. Approximately 50 children participate in the FKO program. Approximately 50% of the participants are Palm Springs residents.

**Tiny Tots**

Tiny Tots is an eleven-month program (August off) for children ages 3 to 5, with an option of the morning program 9:00 AM to 12:00 PM or the afternoon program 12:30 PM to 3:30 PM, Monday thru Thursday. Approximately 40 children participate in the Tiny Tots program. Approximately 50% of the participants are Palm Springs residents.

**Summer Camp**

Summer Camp is conducted mid-June to mid-August for grades 1 to 8, with an option of the morning program 9:00 AM to 12:00 PM, or the afternoon program 12:00 PM to 3:00 PM, or All Day (9:00 AM to 6:00 PM), Monday thru Friday. Approximately 125 campers participate in the Summer Camp program. Approximately 52% of the participants are Palm Springs residents.

**CURRENT COSTS AND FEES**

	FKO	Tiny Tots	Summer Camp
City Cost	\$ 159,736	\$ 108,969	\$ 132,443
Current Revenue	\$ 67,170	\$ 40,562	\$ 90,636
Current Subsidy	58%	63%	32%
Current Fee	\$107 per month	\$100 per month	\$60 to 90 per week

**DIRECT COST RECOVERY PROPOSED FEES**

	FKO	Tiny Tots	Summer Camp
Proposed Fee	\$320 per month	\$250 per month	\$ 80 per week AM \$120 per week both

The above represents only the direct costs of the programs, and does not include any administrative charges as allowed by current law.

**RESIDENT DISCOUNTED FEES (25%)**

	FKO	Tiny Tots	Summer Camp
Resident Fee	\$240 per month	\$160 per month	\$60 per week AM \$90 per week both
Non-Resident Fee	\$320 per month	\$250 per month	\$ 80 per week AM \$120 per week both

This model provides a 25% discount on the recreation day care program fees for Palm Springs Residents. If the City Council were to approve fees with a 25% discount to Palm Springs Residents, approximately \$50,000 would continue to be subsidized by the General Fund for these three recreation day care programs.

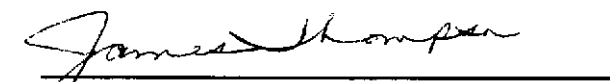
At its April 15, 2014, meeting, the Parks and Recreation Commission voted unanimously (7-0) to recommend the City Council increase the three recreation day care program fees for 75% of direct cost for residents and 100% for non-residents.


FISCAL IMPACT:

The following table outlines the current revenue and the revenue for total direct cost or 25% resident discount. Additionally, if fees are raised, participation in the programs may decline.

	FKO	Tiny Tots	Summer Camp
Current Revenue	\$ 67,170	\$ 40,562	\$ 90,636
Direct Cost Revenue	\$ 160,000	\$ 110,000	\$ 132,000
Revenue with 25% Resident Discount	\$ 140,000	\$ 96,000	\$ 116,000

  
VICKI OLTEAN  
Director

  
JAMES THOMPSON  
Chief of Staff/City Clerk

  
DAVID H. READY, Esq., Ph.D.  
City Manager

ATTACHMENTS:

Resolution

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MODIFYING USER FEES FOR CERTAIN RECREATION DAY CARE PROGRAMS (FOR KIDS ONLY, TINY TOTS AND SUMMER CAMP) AND AMENDING THE COMPREHENSIVE FEE SCHEDULE ADOPTED BY RESOLUTION NO. 21578 AS AMENDED.

WHEREAS, the City, under various statutory provisions under California Government Code, may set and collect fees for the costs of providing a particular service; and

WHEREAS, the City Council had previously established user fees for VillageFest; and

WHEREAS, the City Council desires to update the VillageFest fees and modify fees to reflect the reasonable cost of providing the service.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. FINDINGS.

- a. City staff has completed an analysis of fees for recreation day care programs.
- b. The current user fees are insufficient to cover all the City's costs and expenses associated with providing the recreation day care programs.
- c. The cost of such services should be borne by those who are the special beneficiaries rather than the citizenry at large.
- d. There is a reasonable relationship between the amount of the fee and the estimated reasonable cost of providing the type of service for which the fee is imposed.
- e. The fees do not exceed estimated reasonable cost of providing the service for which the fee is charged.

SECTION 2. FEES IMPOSED.

- a. The City Council adopted and imposes recreation day care program fees as provided in Exhibit A, attached hereto and incorporated by reference.
- b. Each person requesting service for recreation day care programs shall pay the new fee.

c. On July 1<sup>st</sup> of each year, commencing on July 1, 2015, the fees and charges shall be automatically adjusted by an amount equal to the percentage of increase or decrease in the Consumer Price Index for this region, as last computed for the previous twelve (12) months, to reflect the cost-of-living changes and to ensure that changing economic conditions do no impair the real value of the fees and charges.

SECTION 3. SEVERABILITY.

Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fee or other provision of this Resolution be adjudged to as invalid, the remaining provisions shall be fully effective, and the fee shall be fully effective except as to that portion that has been judged to be invalid.

SECTION 4. EFFECTIVE DATE.

- a. This resolution shall go into effect immediately after adoption.
- b. The fees imposed by Section 2 of this Resolution shall be effective for all programs commencing on or after June 1, 2014.

SECTION 5. COMPREHENSIVE FEE SCHEDULE.

The City Clerk is hereby authorized and directed to incorporate said modifications and fees into the Comprehensive Fee Schedule, adopted by Resolution No. 21578 as amended.

PASSED, ADOPTED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL  
THIS 7TH DAY OF MAY, 2014.

\_\_\_\_\_  
DAVID H. READY, CITY MANAGER

ATTEST:

\_\_\_\_\_  
JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PALM SPRINGS )

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. \_\_\_\_\_ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the May 7, 2014, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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JAMES THOMPSON, CITY CLERK  
City of Palm Springs, California

**EXHIBIT A  
RECREATION DAY CARE PROGRAMS**

	FKO	Tiny Tots	Summer Camp
Resident Fee	\$240 per month	\$160 per month	\$60 per week AM \$90 per week both
Non-Resident Fee	\$320 per month	\$250 per month	\$ 80 per week AM \$120 per week both