



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

**SUBJECT: PRNS PRICING AND REVENUE
POLICY UPDATE**

DATE: May 12, 2009

Approved

Christine J. Shappley

Date

5/21/09

BACKGROUND

During the City Council discussion on the April 21, 2009 of the Parks, Recreation and Neighborhood Services (PRNS) Pricing and Revenue Policy it was requested that PRNS provide additional information on the facility rental fees to neighborhood associations and advisory groups. The purpose of this memorandum is to provide the requested information.

As noted in the Mayor's 2009-10 March Budget Message, the context for the Pricing and Revenue Policy is to preserve today's levels of recreation programs and services, and to minimize the inevitable reductions of the current budget environment. To the extent that revenues from fees and charges are realized, the existing breadth and extent of PRNS programs and services can be maintained. Conversely, if reasonable revenues are not attained, program reductions beyond those already identified in the 2009-10 Proposed Budget may be necessary.

The Pricing and Revenue Policy's guiding principles emphasize and strive for an appropriate balance between revenue generation and affordable access. It recognizes the diverse economic environment of San Jose residents, and it attempts to tap uncultivated sources for revenue.

ANALYSIS

Councilmember Liccardo requested an analysis of revenue lost by providing Community Center space to neighborhood organizations for free or little cost. Currently facility use is a paper based activity and loss of revenue is not recorded. While exact figures are not included, anecdotally PRNS facilities are regularly utilized as a meeting space for advisory groups, existing neighborhood associations, and Neighborhood Action Committees (NAC). Depending upon the facility, use by these groups has historically ranged from 1 to 25 meetings per month. In the next phase of implementation of the Recreation and E-commerce System (RECs), facility use will be automated enabling future reports on actual free usage performance.

PRNS agrees with the concepts of no-/low-cost facility use for certain community groups volunteering their time, as expressed by several Councilmembers. As proposed, the Pricing and Revenue Policy will delegate authority to the City Manager or designee to develop a pricing schedule that offers no-/low-cost facility use fees to bona fide neighborhood volunteer organizations that are conducting meetings to support the City's programs and operations and that truly operate on

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a voluntary basis. While the details still need to be worked through, we understand that City Council would like to see neighborhood groups have free access. PRNS will work with the City Attorney's Office to develop methods that ensure no/low cost options for neighborhood volunteer organizations that meet to support City programs and that are consistent with the City's legal obligations.

Also, as described to the City Council on April 21, PRNS will develop administrative guidelines to provide user groups with a volunteer-for-trade option. This is a "sweat equity" option in which designated groups that provide City-approved volunteer work within parks and recreation facilities receive credit towards the use of meeting rooms and some specific programs.

PRNS will work closely with our user groups, neighborhood associations, community partners and City Attorney's Office to fully develop the no-/low-cost and volunteer-for-trade strategies. Once agreeable guidelines are established, PRNS will ensure comprehensive notification and education of all stakeholders prior to implementation.

COORDINATION

The information in this memo has been coordinated with the City Attorney's Office



ALBERT BALAGSO
Director, Parks, Recreation
and Neighborhood Services