



Cost Recovery Worksession

February 18, 2020

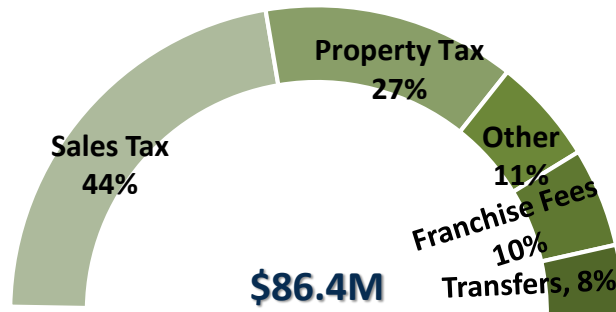
City of San Marcos | Finance and Parks & Recreation

Purpose:

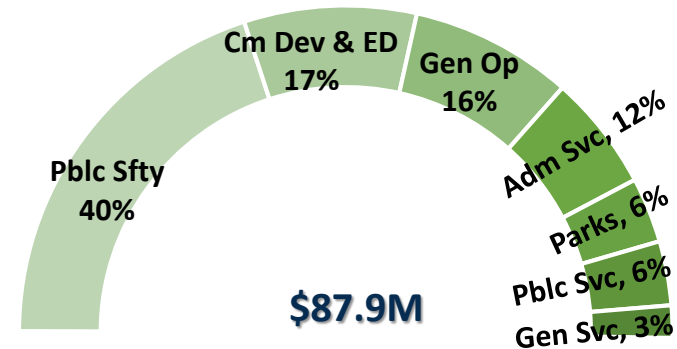
Staff requests Council direction on proposed assumptions in finalizing Cost Recovery implementation for the Parks & Recreation programs and services.

General Fund FY20 Budget

Sources



Uses

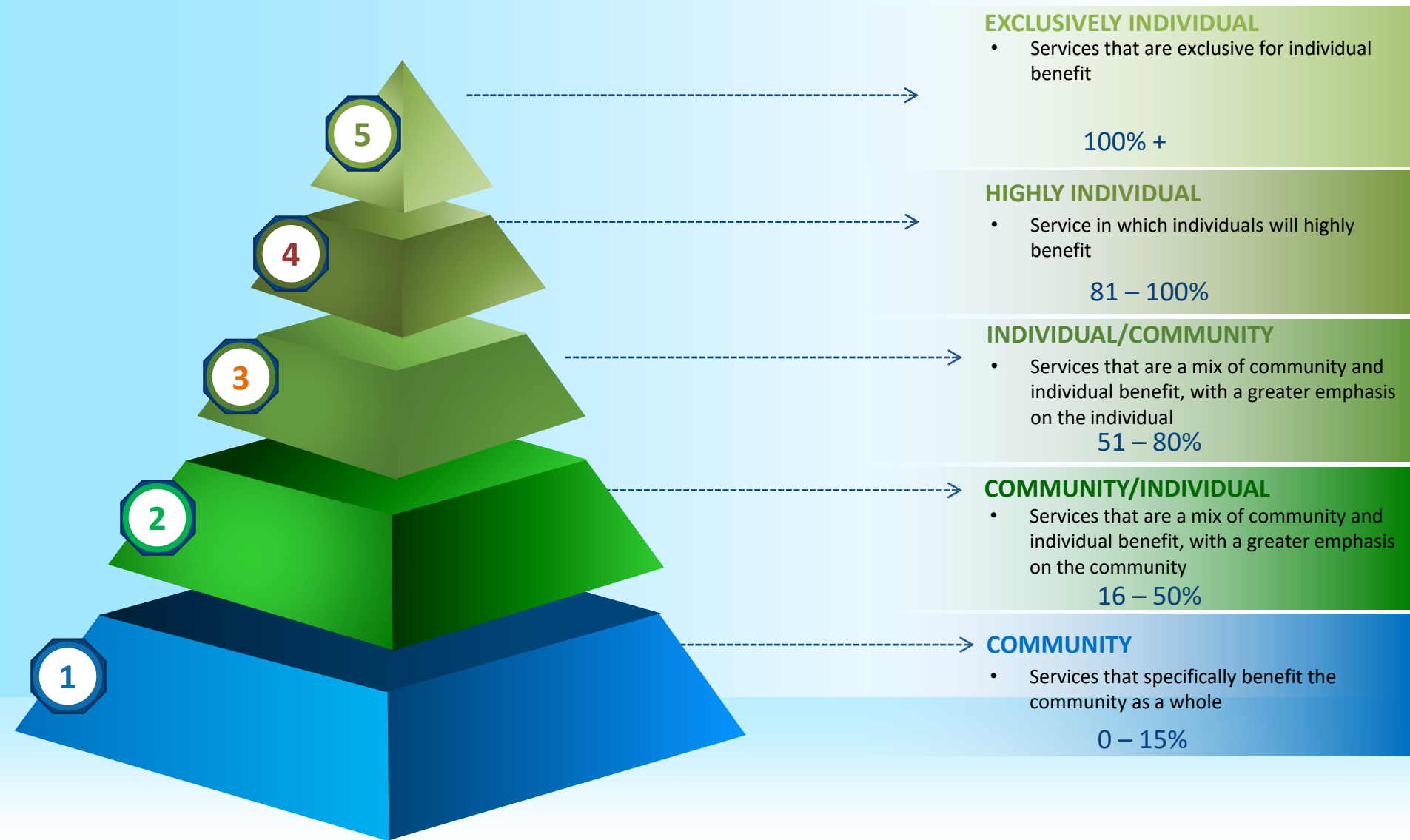


- Parks & Recreation Dept (PARD) operating budget consumes ~ \$5.3M or 6% of the FY20 budget
- PARD Programs generate \$545K in revenue with \$4.8M supported by sales & property tax revenue
- FY21 budget General Fund property tax revenue could potentially face significant constraints due to SB2-property tax cap and pending changes to over 65 property tax

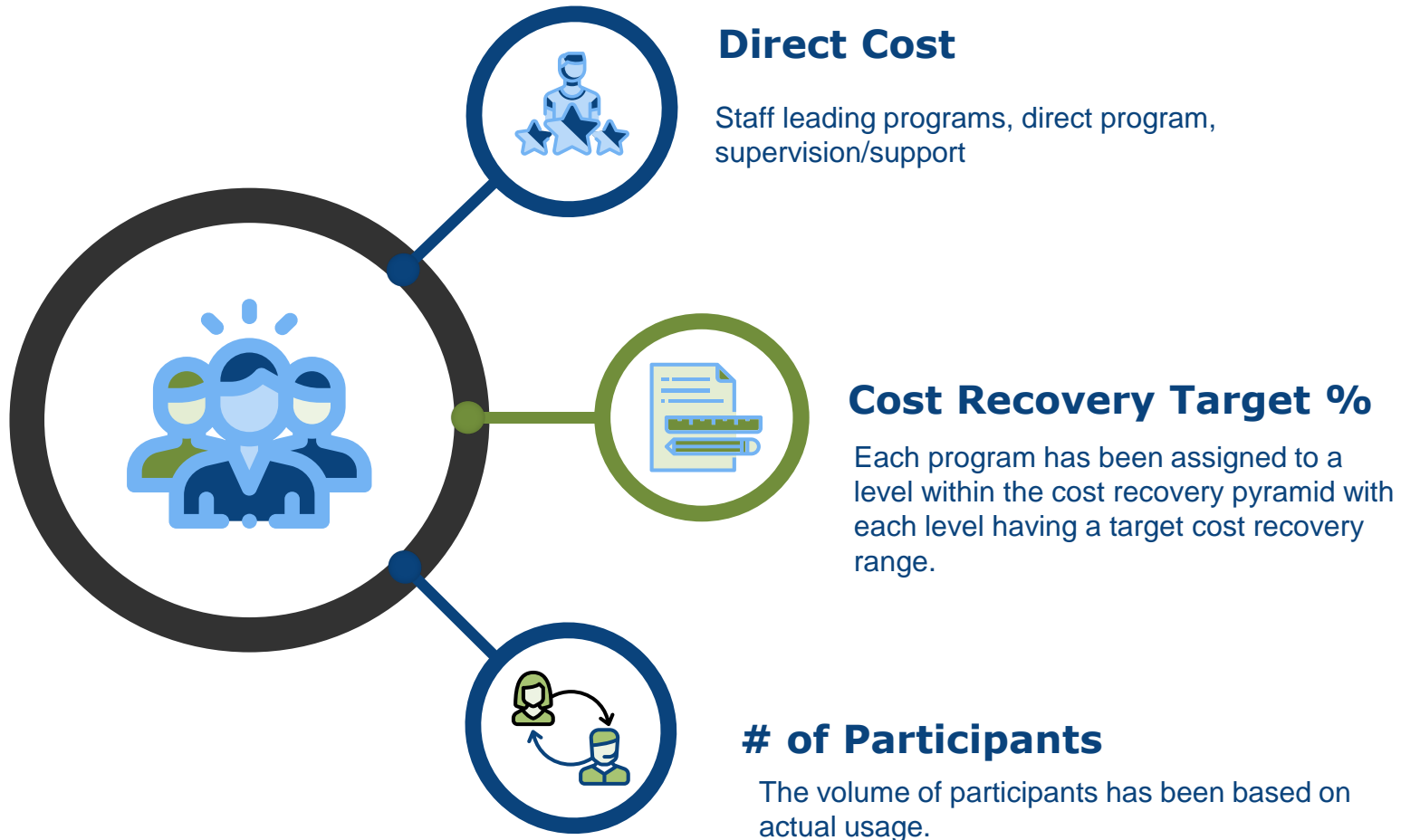
Setting fees based on cost recovery accomplishes the following:

- Diversifies revenue to reduce property and sales tax dependency
- Utilizes tax dollar subsidies on community based programs
- Meets state mandates requiring all user fees be justifiable
- Moves toward self funding programs the community currently enjoys

Cost Recovery Pyramid Methodology



$(\text{Direct Cost} * \text{Cost Recovery target \%}) / \# \text{ of participants}$



Pyramid Ranking Based on Beneficiary

Parks & Recreation



Parks & Recreation Budget Comparison

Operating Budgets Compared to other Cities



	PARD Operating Cost	PARD Revenue	Recovery %
San Marcos	\$5.3M	\$545K	10.2%
New Braunfels	\$7.8M	\$3.6M	46.3%
Georgetown	\$11.8M	\$2.8M	24.1%
Round Rock	\$12.4M	\$3.5M	28.5%



	Current Fee	Target Cost Recovery Fee	Proposed Fee	Golds Gym	Metroflex	NB Das Rec
Activity Center Adult Annual Membership	\$84	\$220	\$105	\$480	\$299	\$420

- Provided proposed assumptions in finalizing cost recovery implementation for Parks and Recreation Programs and Services.
- Council provided direction to move forward with taking the proposed assumptions to the Parks and Recreation Advisory Board for their recommendation

- Dec 19, 2019 - The Parks and Recreation Advisory Board created a committee to review the proposed fees and to bring back a recommendation to the Board.
- Jan 13, 2020 - The Board received the committee's recommendation and adopted a Recommendation Resolution recommending the proposed fees within this presentation.

- Simplify to only use “Resident” or “Non-Resident” fee categories.
- Remove the fee categories of:
 - Non-Profit
 - Business/Commercial
 - Senior Spouse (will only have Senior rate)
- Increase the qualifying age for the senior discount from 50 to 65.
- Future fee increases will be reviewed during the budget process annually.

- Staff would like to recommend that Non-Profits receiving Community Development Block Grant (CDBG) Funding for the provision of social and human services/programs have facility rental fees waived up to 9 times per month.
- It is recommended that facility rental fees be waived when the non-profit is utilizing the facility to provide social and human services or programs to the community, and not for fundraising or similar events.
- The reservation process would be unchanged, and would remain subject to availability.

Rate Proposal Summary: Facilities

	Current Fee	Current Cost Recovery %	Proposed Fee per hour	Cost Recovery % Proposed
DUNBAR RECREATION CENTER	<i>per hour</i>		<i>per hour</i>	
Resident: Large Room	\$31.00	17%	\$39.00	22%
Resident: Small Room	\$16.00	9%	\$20.00	13%
Resident: 2 rooms	\$47.0	27%	\$59.00	27%
Non-Resident: Large Room	\$84.00	47%	\$105.00	64%
Non-Resident: Small Room	\$42.00	24%	\$53.00	45%
Non-Resident: 2 rooms	\$126.00	71%	\$144.00	87%
OLD FISH HATCHERY	<i>per hour</i>		<i>per hour</i>	
Resident	\$26.00	28%	\$33.00	38%
Non-Resident	\$52.00	57%	\$65.00	71%
SAN MARCOS PLAZA PARK				
Resident per day	\$261.00	5%	\$326.00	6%
Non-Resident per day	\$523.00	11%	\$551.00	14%

Rate Proposal Summary: Facilities

	Current Fee	Current Cost Recovery %	Proposed Fee	Cost Recovery % Proposed
CITY PARK REC HALL	<i>per hour</i>		<i>per hour</i>	
Resident	\$42.00	18%	\$53.00	23%
Non-Resident	\$84.00	26%	\$105.00	32%
VERAMENDI GAZEBO				
Resident per day	\$76.00	13%	\$95.00	16%
Non-Resident per day	\$152.00	16%	\$190.00	20%

Rate Proposal Summary

Activity Center Annual Memberships

	Current Fee	Current Cost Recovery %	Proposed Fee	Cost Recovery % Proposed
Resident				
Adult	\$84.00	78%	\$92.00	85%
Senior (65+)	\$52.00	19%	\$60.00	22%
Youth (17 & under)	\$31.00	51%	\$46.00	76%
Family (3 or more)	\$157.00*	78%	\$157.00*	78%
Non-Resident				
Adult	\$235.00*	186%	\$235.00*	186%
Senior (65+)	\$126.00	22%	\$158.00	28%
Youth (17 & under)	\$47.00	36%	\$70.00	53%
Family (3 or more)	\$418.00*	42%	\$418.00*	42%

*Denotes no change to fee

Activity Center Day Pass

	Current Fee	Current Cost Recovery %	Proposed Fee	Cost Recovery % Proposed
Resident				
Adult	\$3.00	27%	\$6.00	57%
Senior	N/A	N/A	\$3.00	27%
Youth (17 & Under)	\$2.00	18%	\$3.00	27%
Non-Resident				
Adult	\$3.00	27%	\$6.00	57%
Senior	N/A	N/A	\$3.00	27%
Youth (17 & Under)	\$2.00	18%	\$3.00	27%

Timeline & Next Steps



Code Compliance Division

Administrative Fee for Nuisance Abatement

February 18, 2020

Process:

- Seek voluntary compliance – communicate and educate
- Notice of violation – sent to all interested parties at every identified address
- Informal conference / hearing with Code staff – set corrective plan and timeline
- Once all options for compliance are exhausted, the City can abate the nuisance
- Statement of abatement costs, including an administrative fee established by the city council, will be filed as a lien with the county clerk's office

Code Compliance Division
Administrative Fee for Nuisance Abatement
February 18, 2020

History:

- Without an administrative fee, property owners were using the City as a mowing/clean-up service, even when they had their own resources.
- Forced abatement is infrequent and has not been utilized in close to a year due to new code compliance initiatives that match needs with resources.

Code Compliance Division

Administrative Fee for Nuisance Abatement

February 18, 2020

Examples:

Not just major issues regarding unsafe structure demolition or securing of structures, but also mowing, junk hauling, and other clean-up initiatives in which the owners were unable or unwilling to complete the work themselves.



Code Compliance Division

Administrative Fee for Nuisance Abatement

February 18, 2020

Legal References:

- San Marcos Code of Ordinances, Section 34.080 – Correction of prohibited conditions by city; lien.
- Texas Health and Safety Code, Section 342.007 – Authority of city to correct or remove conditions, lien.

Code Compliance Division Administrative Fee for Nuisance Abatement

February 18, 2020

Fee Comparisons:

- No fee: College Station, Kyle, New Braunfels
- \$150-\$175: Round Rock, Cedar Park, Schertz, Seguin, Ennis
- \$200-\$225: Arlington, Southlake, Garland

Code Compliance Division

Administrative Fee for Nuisance Abatement

February 18, 2020

Staff Recommendation: Adopt an administrative fee of \$150

- This is the approximate cost to recover administrative support staff time, past the typical code compliance process, for notification, billing, processing payment, and possibly filing a lien related to forced nuisance abatement.
- Mentioning the fee in our final notice may encourage voluntary compliance.
- This method will only be used as a last resort under limited circumstances to protect life, health, safety, and property values. The fee will typically apply to property owners, and not tenants, for failure to comply.