

APPROVED

JUL 13 2011

REPORT OF GENERAL MANAGER

NO. 11-202

DATE July 13, 2011

BOARD OF RECREATION  
and PARK COMMISSIONERS

C. D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SCHEDULE OF RATES AND FEES – PARTNERSHIP DIVISION SHARED  
USE AGREEMENT UTILITY CHARGES

|                                      |                   |
|--------------------------------------|-------------------|
| R. Adams _____                       | K. Regan _____    |
| H. Fujita _____                      | M. Shull _____    |
| *V. Israel <u><i>[Signature]</i></u> | N. Williams _____ |

*[Signature]*  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve the proposed schedule of Shared Use utility fees as described in the Summary of this Report, and on Attachment 1, for inclusion as applicable in agreements with organizations and individuals providing services or programs in conjunction with the Department, to be effective August 1, 2011;
2. Authorize staff to amend the Schedule of Rates and Fees to include the proposed fees; and,
3. Direct the Chief Accounting Employee to establish accounts for deposit of funds received from organizations and individuals to reimburse the Department for utility expenses.

SUMMARY:

At the meeting of October 9, 2009, the Board approved a "Board Policy on Partnerships" for entering into agreements with individuals, entities, or organizations for the benefit of the community. The Board also directed staff to move forward on developing a Partnership Program for the Department, crafting standard agreements, and working with existing affiliated organizations (Report No. 09-261). On May 17, 2010, the Board approved two templates for agreements, for both of which incorporated a requirement for reimbursing the Department for direct costs including some portion of utility costs (Report No. 10-126). The acknowledgement that collaborating organizations or individuals will need to accept a share of utility costs and other direct costs is in accordance with existing Board policy (Utility Costs for Non-profit

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Organizations Operating on Park Property, Report No. 02-349) and discussions that have been before City Council in recent months (Council File 08-2762).

The Department established the new Partnership Division in March, 2011, a direct outgrowth of the planning of the Partnership Committee and the direction of the Board. Division staff have started work on formalizing written agreements with long-standing affiliated organizations and simultaneously initiated multiple potential projects with new organizations and individuals. As agreements are being developed for these collaborations, staff and the City Attorney have found that the agreements generally fall into two types. One is "Shared," where the activity takes place on a portion of park property and/or while other Department programs are also in operation (example: a sports program using a gymnasium a few hours a day), and the other is "Exclusive," where the organization collaborating with the Department has full control of a facility or park for all or most of the time (example: community garden).

In addition, in finalizing agreements staff has identified the need for a standard utility rate schedule that provides consistent and equitable cost recovery to include in the Shared Use agreements. The proposed addition to the Schedule of Rates and Fees to meet this need, specific to Partnership Division Agreements, is attached (Attachment 1).

### Utility Reimbursement

The Department is responsible for directly paying all utility charges, estimated to be at least \$16 million per year. Actions by the City Council and Board have directed that all groups using City facilities must share utility usage costs. Yet every facility and property under the control of the Department is unique in its annual utility consumption and billing. Most facilities have multiple meters for water and electricity and those meters may have different billing rates depending on size of the service or special rates (such as for reclaimed water or agricultural service). Sewer charges are included in water billings.

For utility costs in the case of Exclusive Use, the Department will first seek to have the organization pay for utilities directly to the provider. If not feasible, then the Department will seek the use of sub-meters to accurately measure utility usage; until sub-meters are installed, the Department will estimate and collect full costs.

In the case of Shared Use collaborations, utility costs should reflect the proportional use. However assessing specific utility fees on a facility by facility basis would be unreasonably time-consuming.

Existing utility charges expressed in the Schedule of Rates and Fees are for calculating one-time uses and short-time seasonal activities, not for sustained programs and long term collaborations. Staff instead recommends adopting a matrix approach for Shared Use situations in agreements. The proposed table below was developed by starting with a sample of about 25 facilities. A full-

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year's billing (2010) for water and electric were pulled for each facility address. The facilities were selected to provide a sampling of facility types, including:

- Valley, coast, and basin locations to account for influence of weather factors
- Range of facility and grounds size
- Range of use from very busy with activities, sports, classes, to less busy
- Newer facilities (more efficient) and older ones
- Specialty locations (pool, fields, senior centers, museum)
- Locations that have existing affiliate activity

Annual costs were compiled and summarized. Based on total acreage, number of amenities at each facility, and utility consumption, the list was sub-categorized into five overall facility sizes. A daily and monthly average utility cost was calculated, which includes water and sewer, and electricity fees. Shared activity level was also categorized based on projected usage by day or month. A percentage of cost was applied to each of the use categories and the result rounded up to whole dollars. For an agreement, staff will determine facility and use categories and use the monthly Shared Use utility fee, or daily fee if appropriate, for inclusion in the agreement. These fees would be subject to change over time through the Rates and Fees revision process.

**Shared Use Utility Charges**

| <b>Facility Category</b> | <b>Facility Category Parameters</b>                   | <b>Minimal Monthly Use</b> | <b>Modest Monthly Use</b> | <b>Major Monthly Use</b> | <b>Minimal Daily Use</b> | <b>Modest Daily Use</b> | <b>Major Daily Use</b> |
|--------------------------|---|----------------------------|---------------------------|--------------------------|--------------------------|-------------------------|------------------------|
| Very Large               | 25.0 acres and over, multiple buildings and amenities | \$79                       | \$237                     | \$395                    | \$3                      | \$8                     | \$13                   |
| Large                    | 10.0 - 24.9 acres, multiple buildings and amenities   | \$36                       | \$107                     | \$178                    | \$2                      | \$4                     | \$6                    |
| Medium                   | 5.0 - 9.9 acres, several buildings and/or amenities   | \$22                       | \$67                      | \$112                    | \$2                      | \$2                     | \$4                    |
| Small                    | 2.0 - 4.9 acres, a few buildings and/or amenities     | \$20                       | \$61                      | \$101                    | \$2                      | \$2                     | \$3                    |
| Very Small               | 1.9 acres or less, one building and/or few amenities  | \$8                        | \$25                      | \$41                     | \$2                      | \$2                     | \$2                    |

*Daily Cost if Needed*

Shared usage level definitions:

Minimal (calculated at about 1% of average cost).

- Generally under 50 participants, but less than 100 participants.
- No kitchen or extra utility use such as outdoor fields.

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- Limited to one room or a few rooms or areas.
- Average use under 3 hours a day.

Modest (calculated at 3% of average cost).

- Generally around 100-250 participants but less than 500 participants.
- May have kitchen use or a few hours of use such as outdoor lighted fields or public address systems.
- Uses one or more rooms or areas or large space such as gym or sports fields.
- Average use over 3 hours a day but not usually more than 6 hours.

Major (calculated at 5% of average cost).

- High impact activity of any number but generally over 500 participants.
- Uses kitchen facilities, outdoor lights, electric hook-ups for multiple activities.
- Significant use of the facility and/or impact on multiple areas.
- Average use over 6 hours a day.

### FISCAL IMPACT STATEMENT:

Approval of this Partnership Division Shared Use Agreement Utility Charges fee schedule has no direct impact on the General Fund. The fees established will assist the Department in offsetting costs to the General Fund through implementing reasonable cost recovery reimbursements in agreements.

This report was prepared by Joel Alvarez, Sr. Management Analyst I, Partnership Division.

**PARTNERSHIP DIVISION SHARED USE AGREEMENT UTILITY CHARGES**  
(Adopted 7/11)

Programs and projects which meet requirements under the Partnership Division shall be formalized in agreements and approved by the Board of Commissioners.

**UTILITY REIMBURSEMENT**

*100% of cost recovery charges to be deposited in account(s) designated by Chief Accounting Employee*

Partnering organizations and individuals shall directly pay for all utilities used in connection with the program or project and for all other direct costs if possible. In the case of Exclusive use of a facility the organization or individual will be obligated to pay directly to providers or to fully reimburse the Department for utilities. In the case of Shared use, a prorated fee shall be assessed to reimburse the Department for utility costs.

**Shared Use Utility Charges**

| <b>Facility Category</b> | <b>Facility Category Parameters</b>                   | <b>Minimal Monthly Use</b> | <b>Modest Monthly Use</b> | <b>Major Monthly Use</b> | <b>Minimal Daily Use</b> | <b>Modest Daily Use</b> | <b>Major Daily Use</b> |
|--------------------------|---|----------------------------|---------------------------|--------------------------|--------------------------|-------------------------|------------------------|
| Very Large               | 25.0 acres and over, multiple buildings and amenities | \$79                       | \$237                     | \$395                    | \$3                      | \$8                     | \$13                   |
| Large                    | 10.0 - 24.9 acres, multiple buildings and amenities   | \$36                       | \$107                     | \$178                    | \$2                      | \$4                     | \$6                    |
| Medium                   | 5.0 - 9.9 acres, several buildings and/or amenities   | \$22                       | \$67                      | \$112                    | \$2                      | \$2                     | \$4                    |
| Small                    | 2.0 - 4.9 acres, a few buildings and/or amenities     | \$20                       | \$61                      | \$101                    | \$2                      | \$2                     | \$3                    |
| Very Small               | 1.9 acres or less, one building and/or few amenities  | \$8                        | \$25                      | \$41                     | \$2                      | \$2                     | \$2                    |

| <b>Usage Level Category</b> | <b>Usage Level Parameters</b>  | <b>Percentage Applied</b> |
|-----------------------------|--|---------------------------|
| Minimal                     | Generally under 50 participants, not more than 100. No kitchen or extra utility use such as outdoor fields or public address systems. Limited to one room or a few rooms or areas. Average under 3 hours a day.  | 1%                        |
| Modest                      | Generally around 100-250 participants but not more than 500. May have kitchen use or a few hours of use such as outdoor lighted fields or public address systems. Uses one or more rooms or areas or large space such as gym or sports fields. Average use over 3 hours a day but not usually more than 6. | 3%                        |
| Major                       | High impact activity of any number but generally over 500 participants. Uses kitchen facilities, outdoor lights, electric hook-ups for multiple activities include public address. Significant use of the facility (over 25%) and/or impact on multiple areas. Average use over 6 hours a day.             | 5%                        |