



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

January 22, 2019

SUBJECT: Community Center Rental Fees

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Adopt Resolution 04-19 restoring the Community Center rental fees to the April 2007 rates. Direct staff to review the fees annually as part of the Citywide annual review of all City fees and charges.

Background

The Wheatland Community Center is rented for public and private events on a first-come, first-served basis. Rental fees are charged based on the Group Classification of the renter (see green chart on the right). The Center can be rented by the hour or by the day. The three areas of the Center (Main Hall, Kitchen, Conference Room) can be rented out separately or together. *Note: currently only one rental is allowed per weekend. The renter picks up the keys at City Hall during business hours on Friday and returns them the following Monday. In the past, a part time staff person was assigned to open and close the center for each event allowing for multiple rentals during a weekend. Proof of insurance and a deposit are required of all renters regardless of the fee amount.*

The initial Community Center fees were set when the Center was first opened in April 2007. Since then, the fees have been adjusted twice – in August 2008 and November 2009. The fees have not been adjusted since November 2009.

April 2007 – Initial Fees Group 4 (Group 3 fees were 75% of Group 4 fees, Group 2 fees were 50% of Group 4 fees)

	Conference Room	Kitchen	Main Hall
Hour	\$35 first hour, \$30 each additional hour	\$20	\$90
Day	n/a	\$160	\$720

GROUP CLASSIFICATIONS

Group 1 – No Fee

City of Wheatland sponsored and co-sponsored events; holiday events open to the public at no cost; other government agencies serving the City.

Group 2 – 50% of Adopted Fees

Non-profit, civic, athletic, social organizations, churches and schools which are located and based in the City. Applies to those functions that provide a service to the community of Wheatland. Must provide a non-profit number.

Group 3 – 75% of Adopted Fees

City resident private parties, employee organizations, political candidate fundraisers and social events. City resident non-profit functions that do not meet Group 2 criteria. Non-resident, non-profit, civic, social organizations and schools.

Group 4 – 100% of Adopted Fees

City resident commercial, business, and profit-making activities. Non-resident private parties, employee associations, commercial, business, profit making organizations and churches.

August 2008 – Group 2 and Group 3 fees were reduced by 50% and Group 4 Kitchen only fees were reduced by 50% to see if the reduced fees would increase usage.

November 2009 – There was no determinable increase in usage as a result of lowering the fees in August 2008, therefore, Group 2 and Group 3 fees were increased 50% (generally). As a result of the August 2008 and November 2009 fee adjustments, Group 2 fees are no longer 50% of Group 4 fees and Group 3 fees are no longer 75% of Group 4 fees (as set initially in April 2007).

Discussion

Staff has reviewed the Community Center fees to determine if adjustments would increase usage and/or increase cost recovery. The review focused on cost recovery, types of usage, and comparable venues.

Cost Recovery - Listed below are actual revenues by fiscal year. Costs associated with maintenance of the building and rental administration have been estimated (depreciation has not been included). Because of the large difference between costs and revenues and the unpredictability of the revenue, it is recommended that cost recovery not be a factor in determining the fee amounts at this time.

Fiscal Year	Rental Income	Estimated Maintenance and Administration	Loss
2008	8,194.50	12,392	(4,198)
2009	4,110.00	12,775	(8,665)
2010	4,627.93	13,170	(8,542)
2011	9,300.00	13,577	(4,277)
2012	3,610.75	13,996	(10,385)
2013	5,861.00	14,428	(8,567)
2014	6,018.75	14,874	(8,855)
2015	3,038.01	15,334	(12,296)
2016	10,169.60	15,808	(5,638)
2017	4,609.59	16,296	(11,686)
2018	9,268.65	16,800	(7,531)

Types of Usage – Over the past three years, 70% or 33 of Community Center rental fees were from the Group 3 classification (City resident private parties), 19% or 9 rental fees were from the Group 2 classification (non-profits), and 11% or 5 rental fees were from the Group 4 classification (commercial and non-resident).

Commercial and non-resident use (Group 4) and City resident private parties (Group 3) are typically for memorial/celebration of life services, anniversary parties, quinceaneras, and wedding receptions. Non-profit usage (Group 2) are typically schools, churches, and Wheatland social organizations. The major use of the Center is for Group 1 (no fee) events such as City, Fire Department, Yuba County government agencies meetings and other City sponsored events. In

addition, the City has typically waived the fees for holiday events open to the public at no cost such as the Fourth of July Celebration.

The City has on occasion rented out the Center's tables and chairs for use outside of the Community Center. Renting out just the chairs and tables generally precludes the Community Center from being rented.

Comparable Venues – Wheatland residents wishing to use nearby enclosed facilities have the option of renting the Wheatland Senior Center, the Lincoln Gymnasium, the Lincoln Civic Auditorium, and the Live Oak Community Building. Because each of these venues has unique characteristics, capacities, and methods of charging, it is not possible to provide a meaningful comparison.

Staff's analysis revealed the following:

1. The users of the Center are typically Wheatland residents and government agencies.
2. Fee adjustments in 2008 and 2009 did not have an impact on use.
3. Fees have not been adjusted since 2009. Costs to maintain the Center continue to increase.
4. Other local area venues are not in competition with the Wheatland Center due to the unique characteristics of the various facilities.
5. Restoring the rates to the April 2007 are not likely to have an impact on usage and would provide additional cost recovery.

Staff recommends that Council restore the rental fees to their April 2007 level and require a review of the fees each year along with the City's other fees. Staff also recommends that *holiday events open to the public at no cost* be added as a Group 1 event and that the rental of tables and chairs be discontinued. Current Fees and Proposed Fees are listed below.

Group 1 – Current Fees

	Conference Room	Kitchen	Main Hall
Hour	No fee	No fee	No fee
Day	n/a	No fee	No fee

Group 1 – Proposed Fees

	Conference Room	Kitchen	Main Hall
Hour	No fee	No fee	No fee
Day	n/a	No fee	No fee

Group 2 – Current Fees

	Conference Room	Kitchen	Main Hall
Hour	\$13 first hour, \$10 each additional hour	\$5	\$33.75
Day	n/a	\$40	\$270

Group 2 – Proposed Fees (50% of Group 4)

	Conference Room	Kitchen	Main Hall
Hour	\$17.50 first hour, \$15 each additional hour	\$10	\$45
Day	n/a	\$80	\$360

Group 3 – Current Fees

	Conference Room	Kitchen	Main Hall
Hour	\$20 first hour, \$17 each additional hour	\$5.75	\$54.60
Day	n/a	\$45	\$405

Group 3 – Proposed Fees (75% of Group 4)

	Conference Room	Kitchen	Main Hall
Hour	\$26.25 first hour, \$22.50 each additional hour	\$15	\$67.50
Day	n/a	\$120	\$540

Group 4 – Current Fees

	Conference Room	Kitchen	Main Hall
Hour	\$35 first hour, \$30 each additional hour	\$10	\$90
Day	n/a	\$80	\$720

Group 4 – Proposed Fees

	Conference Room	Kitchen	Main Hall
Hour	\$35 first hour, \$30 each additional hour	\$20	\$90
Day	n/a	\$160	\$720

Alternatives

Council could set alternative fees or ask staff to bring this item back at a later date with additional information.

Fiscal Impact

Restoring the rates to their April 2007 level would provide minimal additional revenue to help offset increased maintenance costs. Staff does not anticipate an increase or decrease in usage.

Attachments

1. Resolution 04-19

RESOLUTION NO. 04-19

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF WHEATLAND
REGARDING ADOPTION OF
COMMUNITY CENTER RENTAL FEES**

WHEREAS, the Wheatland Community Center (“the Center”) located at 101 C Street in the City of Wheatland is suitable for events and activities;

WHEREAS, the City Council desires that the Center be made available to the public for public and private events and activities on a first-come first-serve basis;

WHEREAS, in order to address liability and insurance concerns, to ensure the ongoing maintenance of the Center, and to ensure the equitable administration of uses, the City Council deems it necessary to establish reasonable rental fees and to impose certain terms and conditions on the use of the Center; and

WHEREAS, by this resolution, the City Council desires to adjust the rental fees for the Center to help offset the costs of maintenance and operations of the Center;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Wheatland as follows:

1. The City Council hereby adopts the following rental fees for the City of Wheatland Community Center. Future fee adjustments will be included with and approved by Council during the annual review of all of City’s fees and charges.

Group 1

	Conference Room	Kitchen	Main Hall
Hour	No fee	No fee	No fee
Day	n/a	No fee	No fee

Group 2 (50% of Group 4)

	Conference Room	Kitchen	Main Hall
Hour	\$17.50 first hour, \$15 each additional hour	\$10	\$45
Day	n/a	\$80	\$360

Group 3 (75% of Group 4)

	Conference Room	Kitchen	Main Hall
Hour	\$26.25 first hour, \$22.50 each additional hour	\$15	\$67.50
Day	n/a	\$120	\$540

Group 4

	Conference Room	Kitchen	Main Hall
Hour	\$35 first hour, \$30 each additional hour	\$20	\$90
Day	n/a	\$160	\$720

PASSED AND ADOPTED by the City Council of the City of Wheatland on this 22nd day of January 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Joe Henderson, *Mayor*

Attest:

Lisa J. Thomason, *City Clerk*