



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 18-1153, **Version:** 1

- a. Receive a Follow-up Report to the Proposed Update to Article V- Parks User Fees of the Monterey County Master Fee Resolution presented to the Parks Commission on August 2, 2018;
- b. Support a recommendation to the Board of Supervisors to adopt a Resolution Amending Article V of the Monterey County Master Fee Resolution relating to the Parks User Fees for park use, enforcement, and rentals, effective January 1, 2019, pursuant to the attached Article V.

RECOMMENDATION:

It is recommended that the Parks Commission:

- a. Receive a Follow-up Report to the Proposed Update to Article V-Parks User Fees of the Monterey County Master Fee Resolution presented to the Parks Commission on August 2, 2018;
- b. Support a recommendation to the Board of Supervisors to adopt a Resolution Amending Article V of the Monterey County Master Fee Resolution relating to the Parks User Fees for park use, enforcement, and rentals, effective January 1, 2019, pursuant to the attached Article V.

SUMMARY:

Monterey County Master Fee Resolution-Article V Parks User Fees was last updated on November 1, 2014. The Resource Management Agency (RMA) has identified a need to reorganize and update the Parks User Fees to offset current operations costs to sustain a viable parks infrastructure.

RMA staff is seeking Parks Commission final recommendations to the Board of Supervisors relative to park fees. The revised Parks User Fees is scheduled to be presented to the Board on November 6, 2018, with the fees to become effective January 1, 2019.

DISCUSSION:

On June 7, 2018, Resource Management Agency (RMA) staff presented to the Parks Commission a report on park fees and a proposed amendment to Article V, which includes a revision to the existing Parks User Fees format, including adjustments to existing fees and additions and deletions of other fees. The Parks Commission recommended incorporating the following changes to RMA's recommended fee structure:

- Remove issuance of annual passes on a calendar-year basis; Replace with a 12-months-from-purchase basis
- Modify annual escalator for day-use fees to every two years, with a not-to-exceed fee of \$5.
- Add an application fee for park projects to recover staff costs
- Add a discount for students
- Add no entry fee for children under five- (5-) years old

With incorporation of the above changes, the Parks Commission approved RMA moving forward with a recommendation to the Board of Supervisors to adopt a Resolution amending Article V of the Monterey County Master Fee Resolution relating to the Parks User Fees for park use, enforcement, and rentals. RMA scheduled this item for consideration by the Board of Supervisors on July 17, 2018; however, on July 15, 2015, the Board received a request for the Parks User Fees matter to return to the Parks Commission for final consideration and the item was pulled from the agenda.

On August 2, 2018, RMA staff brought back to the Parks Commission the Parks User Fees Article V Update for further discussion. The Commission had in-depth discussions regarding the charging of entry fees in the County's day-use parks. A fundamental question, whether to recover fees from people entering the day-use parks, was identified by Commissioner Sanchez and Supervisor Adams. Chair Hertlein stated that this question involves a policy decision by the Board of Supervisors. The Commission requested that staff complete further investigation and analysis and return to the Commission with a Fee Article Update and the following information.

1. Identify the impact of replacing revenue generated by entry fees in day-use parks by increasing fees in other areas, such as building rentals and group picnic areas, rifle range, and houseboat annual passes.
 - a. In its analysis, RMA staff utilized prior fiscal year reservations for group picnic areas and building rentals within the day-use parks to evaluate the impact of restructuring entry fee collection projections. Camping was excluded to keep costs in alignment with competing venues operating in proximity to San Lorenzo Park. The Rifle Range was excluded as its function is under County Administrative Office oversight. Fees related to Lakes operations were excluded as these facilities are part of an enterprise fund. The current adopted budget for the day-use parks assumes entry fees will contribute at least \$620,965 in revenues. Assuming group picnic areas and building rental fees were increased to compensate for the loss of not charging an entry fee in the County's day-use parks, staff's calculations found that other fees would need to be increased, on average, by 500 to 600 percent. With fee increases this great, the number of reservations would likely decline dramatically and further erode collections within the day-use parks. This, in turn, would result in a significant higher reliance on County General Fund subsidy and ultimately, may result in loss of much-needed resources to keep the parks operating. Refer to **Exhibit 1**.
2. Identify impacts of providing each child in the school district four passes per year to the day-use park closest to the school district to provide them the opportunity for free park entry.
 - a. RMA staff recommendations in the Article V Parks User Fees Update include entry-fee

discounts not reflected in the current Article V. These discounts include: children under five free entry and charging half of the proposed entry fee of \$2 or \$1 for students producing a valid student ID. The Parks Commission's recommendation of offering each child in area school districts four passes per year would result in a minimal cost impact. There would be an increase in administrative costs associated with establishing and managing such a program on an annual basis. The development of this program would require coordination with the Monterey County Office of Education and area school districts. Due to the time needed to establish the program details, RMA staff recommends that it be established separate from the Article V Parks User Fees Update, so the recommended changes can proceed to the Board of Supervisors for approval.

3. Identify the impact of establishing one (1) day a week free admittance into day-use parks.
 - a. Based on the attendance information collected and available for Toro, Royal Oaks and Jacks Peak, the busiest days with the highest admittance (excluding Special Events) in order of highest to lowest is Sunday, Saturday, Wednesday, Tuesday, Monday and Thursday. Given the financial condition of the day-use parks and the growing need across County Departments for increases in discretionary funds, staff would not recommend establishing a day a week for free admittance into day-use parks. However, if the Parks Commission would like to make this recommendation to the full-Board of Supervisor's then staff would suggest identifying Thursday as the selected day in the week to recommend as this day reflects the lowest attendance figures than any other day of the week.
4. Identify what the process would be for establishing long-term subsidy such as an assessment district or some type of tax.
 - a. Staff has reviewed the Countywide initiative process and will consult with Monterey County Elections Program Manager Jessica Cedillo regarding how to proceed with establishing an initiative for a long-term subsidy. Based on available documentation from the Registrar of Voters, this process could take over one year to be placed on the ballot for an election.
5. Identify events at the day-use parks that would generate income to offset charging an entry fee.
 - a. Staff remains vigilant for events to host in all county parks, such as the Salinas Valley Pride Festival. No additional significant events have been identified to date that have the potential to generate significant new revenue for the parks.
6. Consider Partnerships with non-profits to operate and manage park facility(s) while still offering discounts.
 - a. Currently, the County has Agreements with two non-profits that assist with managing specific areas. These two non-profits are North County Youth Recreation Association and Monterey

County Agricultural & Rural Life Museum. In addition, staff utilizes non-profits for assisting with brush clearing, trail maintenance, and general maintenance within the park facilities. Staff will extend its outreach efforts and provide the Parks Commission with periodic progress updates.

7. Develop a long-term plan between 5-10 years to work toward the parks becoming self-sufficient.
 - a. Staff will develop specific plans for each park as each offers unique amenities and attractions. The plans will focus on improving the parks infrastructure while enhancing the experience for users, while striving to become less dependent on the County General Fund.

Since the August 2, 2018 meeting, RMA staff received updates from the new Chief Executive Officer overseeing Laguna Seca as well as from the Interim Parks Operations Manager and CalParks Interim General Manager regarding additional updates to the Article V Parks User Fees. These updates have been incorporated into **Exhibit 2**. The current adopted budget for the day-use parks includes an increase in revenues through fee generation of \$307,306 by updating Article V, Parks User Fees.

At the September 6, 2018 Parks Commission meeting, RMA staff presented the Fiscal Year (FY) 2017-18 financials for the County's day-use parks, including the revenue collections. **Exhibit 3** (attached) provides a breakdown by park facility of revenue generated by fee type. The day-use fees generated \$313,659, or 49 percent (49%), of the total revenue receipts in FY 2017-18. Day-use fees include sales from annual passes, daily vehicle-entry fees, and walk-in entry fees during holidays and special events.

Staff has completed the additional requested investigation and analysis and is now returning to the Parks Commission for its final recommendations to the Board of Supervisors relative to parks user fees. RMA anticipates bringing the matter for the Board to consider adopting a Resolution amending Article V of the Monterey County Master Fee Resolution relating to the Parks User Fees for park use, enforcement, and rentals on November 6, 2018, with the fees becoming effective January 1, 2019.

OTHER AGENCY INVOLVEMENT:

RMA worked with the County Administrative Office and Office of County Counsel regarding the proposed amendment to Article V of the Master Fee Resolution.

FINANCING:

User fees are established to offset some or all costs of services without exceeding actual costs for provision of services. The proposed parks user fees adjustments will better offset actual expenditures incurred. The FY 2018-19 Adopted Budget includes anticipated revenues from the proposed fee adjustments. This action will have no negative impact on the General Fund Contributions for these services.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Parks are intended to provide a safe recreational environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general. Parks require a certain level of financial stability to continue offering opportunities for outdoor recreation and green space, in support of healthy lifestyles and the environment. Establishing appropriate Park fees ensures that RMA can respond to customer preferences and recover costs for the use of parks infrastructure.

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development
☒ Administration
☒ Health & Human Services
☒ Infrastructure
☒ Public Safety

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Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Exhibit 1 - Average Admittance by Location and Day Table

Exhibit 2 - Group Picnic and Building Rentals Fee Comparison

Exhibit 3 - Recommended Article V Parks User Fee

Exhibit 4 - Fiscal Year 2018 Park Revenue by Activity

Exhibit 5 - August 2, 2018 Parks Commission Follow up Report on Update to Article V and associated attachments.

cc list: Carl P. Holm, AICP, RMA Director; Nick Chiulos, Assistant CAO; Cam Sanchez, RMA-Parks Interim Chief; Lucila Sanchez, CAO Budget & Analysis; Brian Briggs, Deputy County Counsel.