



Council Meeting: October 7, 2008

SUBJECT: Consider Impacts of Providing Sunnyvale Resident Discounts to City Recreation Programs for Active Duty Military and Their Families (Study Issue)

REPORT IN BRIEF

This study issue looks at the impacts of providing resident discounts to all active duty military and their families for City recreation programs. The report estimates that approximately 1,800 people could be eligible for such a benefit, but finds it difficult to predict how many of these people might choose to participate. Staff identified no logistical roadblocks to implementing such a policy. Given the projected minimal impact to the Community Recreation Fund were this policy to be implemented, staff believes the good will gesture of honoring the contribution of active duty service men and women to this country is appropriate and can be supported. Staff recommends Alternative No. 1: Direct staff to grant all active duty military and their immediate families resident rates and reservation advantages for recreation activities, programs and services. This will remain in place unless the Recreation Division identifies a significant impact to the Community Recreation Fund and at that time would return to Council for additional direction.

The Parks and Recreation Commission conducted a public hearing on this item at their meeting on September 10, 2008, and voted 4-1 to recommend that Council accept staff's recommendation Alternative No. 1.

BACKGROUND

This study issue resulted from a request from City Council members during discussions to approve the Fremont Swimming Pool operator contract on June 19, 2007. Those discussions resulted in Council's request for a study issue to consider offering resident discounts to all active duty military and their families for City recreation programs (see Attachment A). The study will address the practical applications of such a policy, benchmark with surrounding agencies that may offer similar discounts, and determine the financial impact to the Community Recreation Fund should resident discounts be offered to all active duty military and their families.

EXISTING POLICY

From the Open Space and Recreation Sub-Element:

Policy 2.2.B.1. Design programs to meet the needs of residents, allowing for non-resident participation as long as it does not take away from opportunities or resources for residents (Exceptions are services that are intended to serve as profit centers, such as golf and tennis, which are addressed in the Fiscal Management Sub-Element).

Policy 2.2.B.8. Provide reservation advantages to resident participants over non-resident participants in recreational programs and activities.

Policy 2.2.D.6. Give priority to governmental entities, schools and non-profits.

From the Fiscal Management Sub-Element:

Policy 1.2a.3. Any action by City Council to decrease revenues of the Community Recreation Fund not covered by a decrease in operating costs will result in a corresponding increase to the General Fund subsidy.

Policy 1.2b.2. User fees for recreation services shall be set administratively by the Director of Parks and Recreation in accordance with a documented methodology that depicts a relationship to cost recovery, market forces, and adjustments based on such factors as:

- Perceived benefit to the community
- Pricing which favors Sunnyvale residents over non-residents
- Target populations
- Promotional and marketing considerations

DISCUSSION

This issue hinges largely on a philosophical decision of whether or not it is appropriate for the City to provide resident benefits to a specific group of non-residents because of their service to the country or the service of one of their family members to the country. In general, the City's policy documents and past practices have made residents and businesses located in Sunnyvale the focus of City services, with non-residents accommodated only when they do not take away from services available to residents. City policy also stipulates that in setting recreation fees, residents should be given a pricing advantage over non-residents. It could be argued, however, that active duty military, in serving the country, are also serving Sunnyvale and are, thus, deserving of advantages, financial and otherwise, that are afforded to residents.

Fees for most recreation activities and services (with the exception of golf) are established administratively by the Director of Parks and Recreation, following fee policies established in the City's Fiscal Management Sub-Element. These

policies include offering pricing which favors Sunnyvale residents over non-residents. On average, for most recreational classes and activities, non-residents are charged between \$7 and \$20 more than residents for each registered activity. Non-residents pay \$30 more per hour than residents for use of park buildings, \$15 more per hour for rental of ball fields and between \$5 and \$25 more per hour for use of rooms at the Community Center. Only residents and Sunnyvale businesses are allowed to reserve picnic areas. Residents are provided a half-hour advantage over non-residents in reserving tee times at the City's two golf courses, provided the resident makes the reservation in person.

For the purposes of this analysis, active military was defined as someone who is deployed full-time, whether in the United States or abroad, in service to one of the following branches of the military: Army, Air Force, Navy or Marines (but not Coast Guard). An individual who is a member of one of the Reserves or National Guard (regardless of the branch) and is working full time in that capacity would also be included. Family, in this case, would be defined as the military member's spouse and any dependents. It would not include parents or siblings unless those individuals could be claimed as dependents. The benefit being studied would entitle active duty military and their families to register for any class camp or other program offered by the Department of Parks and Recreation or one of its contractors at the discounted resident rate. Qualifying individuals would also be granted resident rates for picnic, field and room rentals, and would be eligible to play golf at resident rates.

No other local agency was identified that offers active military and their families resident discount rates to participate in recreation programs. However, there is a precedent at places such as Disneyland to offer special discounts to active military, presumably as a way to give back to service personnel and their families as well as a means of attracting business.

It is impossible to accurately predict how many individuals would take advantage of such a benefit. Since any active military and their families who live in Sunnyvale would already be eligible for the resident discount rate for Sunnyvale recreation programs, the target of this proposed benefit would be active military and their families living outside of Sunnyvale. It can be assumed that such a benefit would likely be most attractive to families living relatively close to or working in Sunnyvale since the greater the distance from Sunnyvale, the less convenient Sunnyvale's recreational programs would likely be. These individuals would also likely qualify for the resident discount rate of their home city, since most local agencies offer a resident discount as compared to the non-resident rate for recreation classes and programs.

One estimate provided by a representative of the Army's local recruiting office identified approximately 450 active duty military locally representing all branches of the military. This is consistent with another estimate that references approximately 300 on-base housing units at Moffett Airfield, with the bulk of active duty Army personnel choosing to live on base because of housing costs. No estimates were available due to security reasons on the number of individuals serving overseas whose families might be local. Using an average of four people per household provides an estimate of 1,800 people could be eligible for this benefit.

Limited services are available to military families at Moffett Airfield. Families now have access to a swimming pool three days a week, and the YMCA is reported to be working on bringing some classes to the base. Moffett Airfield also has a golf course that is not open to the public but serves military and their families.

If implementation of this proposed benefit were to occur, individuals wishing to register for a class or program or to make a reservation would need to provide proof of active military status for themselves or for some member of their immediate family. This proof of active military status would be accepted in place of documents usually required to establish residency. All active duty military have a military ID which shows their active duty status. Copies of this or comparable proof of active duty status would need to be provided the first time a family member was establishing an account with recreation. Once registration staff verified active duty status, the registration or reservation would be processed at resident rates. Additionally, an individual with proof of active duty military status for him/herself and his/her family member would be eligible for the reservation advantage afforded residents at the City's two golf courses and would be able to sign up in person for a tee time one-half hour earlier than non-residents.

If Council approves this new policy, staff would include notices regarding the benefit in the activity guides, on the recreation website, and would notify local representatives of the military about the policy.

FISCAL IMPACT

It is impossible to gauge the fiscal impact of granting resident benefits to active duty military and their families for recreation programs and services for several reasons. First, it is difficult to know how many of the estimated 1,800 eligible individuals would be interested in participating in Sunnyvale's recreation programs or making reservations for one of the City's recreational facilities. Of those who do, the fiscal impact would vary depending on whether the participation represented someone new to the City (e.g., registering only

because of the financial advantage due to being active duty military) or someone already participating.

In the case of someone who is already participating in Sunnyvale's programs, implementation of this new policy would result in actual loss of revenues, because the individuals would now be paying reduced rates for something they had previously paid full fare for. If the policy results in new participation, the net impact could vary, depending on whether the incremental cost of adding one person was fully offset by the fee paid or if participation was subsidized. In some instances, such as for golf, each new participant would be of net benefit to the Community Recreation Fund, since there is additional capacity after base costs are recouped.

When all these factors are taken into account, staff does not believe that there would be a significant impact to the Community Recreation Fund either positive or negative were active duty military and their families accorded resident rates for recreation programs and services; and, therefore, staff is not proposing that any adjustments be made to the General Fund subsidy should this policy be implemented.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center, and Department of Public Safety; posting the agenda and report on the City's web site; and making the report available at the Library, Office of the City Clerk, Parks and Recreation Administration, Community Center and Senior Center.

The Parks and Recreation Commission conducted a public hearing on this item at their meeting on September 10, 2008.

Notice of Commission and Council meetings regarding this report was also distributed to the "Friends of Parks and Recreation" mailing list (a list of organizations and individuals who have expressed an interest in Parks and Recreation issues).

ALTERNATIVES

1. Direct staff to grant all active duty military and their immediate families resident rates and reservation advantages for recreation activities, programs and services. This will remain in place unless the Recreation Division identifies a significant impact to the Community Recreation Fund and at that time would return to Council for additional direction.

2. Determine that the City will not grant active duty military and their immediate families resident rates or reservation advantages for recreation activities, programs and services.
3. Other action as determined by Council.

RECOMMENDATION

Staff recommends Alternative No. 1: Direct staff to grant all active duty military and their immediate families resident rates and reservation advantages for recreation activities, programs and services. This will remain in place unless the Recreation Division identifies a significant impact to the Community Recreation Fund and at that time would return to Council for additional direction.

Given the projected minimal impact to the Community Recreation Fund were this policy to be implemented, staff believe the good will gesture of honoring the contribution of active duty service men and women to this country is appropriate and can be supported.

The Parks and Recreation Commission conducted a public hearing on this item at their meeting on September 10, 2008, and voted 4-1 to recommend that Council accept staff's recommendation Alternative No. 1. The dissenting vote was cast because it was thought that the study issue originators may be biased due to their personal military connections and also that, if enacted, this discount may lead to requests from other groups of public service workers.

Reviewed by:

David A. Lewis, Director, Parks and Recreation
Prepared by: Jenny L. Shain, Part-Time Recreation Manager

Approved by:

Amy Chan
City Manager

Attachments

A. 2008 Study Issue Paper DPR-06

ATTACHMENT A**Proposed New Council Study Issue**

Number	DPR-06
Status	Pending
Calendar Year	2008
New or Previous	New
Title	Consider impacts of providing Sunnyvale resident discounts to City recreation programs for active duty military and their families
Lead Department	Parks and Recreation
Element or SubElement	Fiscal Sub-Element

1. What are the key elements of the issue? What precipitated it?

This study issue resulted from a request from City Council members during discussions to approve the Fremont Swimming Pool operator contract on June 19, 2007. Those discussions resulted in Council's request for a study issue to consider offering resident discounts to all active duty military and their families for City recreation programs. The study will address the practical applications of such a policy, benchmark with surrounding agencies that may offer similar discounts, and determine the financial impact to the Community Recreation Fund should resident discounts be offered to all active duty military and their families.

2. How does this relate to the General Plan or existing City Policy?

Council Policy 7.1 Fiscal Sub-Element
I.2 Community Recreation Fund Policies

I.2a: Fund Management

I.2a.3 Any action by City Council to decrease revenues of the Community Recreation Fund not covered by a decrease in operating costs will result in a corresponding increase to the General Fund subsidy.

I.2b: User Fees

I.2b.2 User fees for recreation services shall be set administratively by the Director of Parks and Recreation in accordance with a documented methodology that depicts a relationship to cost recovery, market forces, and adjustments based on such factors as:

- Perceived benefit to the community
- Pricing which favors Sunnyvale residents over non-residents
- Target populations
- Promotional and marketing considerations

3. Origin of issue

Council Member(s) Lee and Swegles
General Plan
City Staff
Public
Board or Commission none

4. Multiple Year Project? No **Planned Completion Year** 2008

5. Expected participation involved in the study issue process?

Does Council need to approve a work plan? No
Does this issue require review by a Board/Commission? Yes
If so, which?
 Parks and Recreation Commission
Is a Council Study Session anticipated? No
What is the public participation process?
 Public input during scheduled Parks and Recreation Commission and City Council meetings.

6. Cost of Study

Operating Budget Program covering costs
 646 - Arts & Recreation Programs and Facilities
Project Budget covering costs
Budget modification \$ amount needed for study
Explain below what the additional funding will be used for

7. Potential fiscal impact to implement recommendations in the Study approved by Council

Capital expenditure range None
Operating expenditure range None
New revenues/savings range None
Explain impact briefly
 If recommendations are made to offer resident discounts to active duty military members and their families, revenues to the Community Recreation Fund could be reduced, depending on the number of class registrations. Potential impacts to CRF would be explored during the study.

8. Staff Recommendation

Staff Recommendation None
If 'For Study' or 'Against Study', explain

9. Estimated consultant hours for completion of the study issue

Managers

Role	Manager	Hours	
Lead	Steward, Nancy	Mgr CY1: 40	Mgr CY2: 0
		Staff CY1: 60	Staff CY2: 0

Total Hours CY1: 100
Total Hours CY2: 0

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

Reviewed by

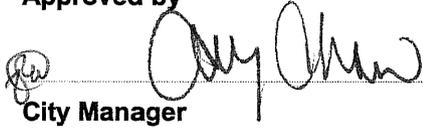


Department Director



Date

Approved by



City Manager



Date

Addendum

A. Board / Commission Recommendation

Issue Created Too Late for B/C Ranking

Board or Commission	Rank	Rank 1 year ago	Rank 2 years ago
Arts Commission			
Bicycle and Pedestrian Advisory Committee			
Board of Building Code Appeals			
Board of Library Trustees			
Child Care Advisory Board			
Heritage Preservation Commission			
Housing and Human Services Commission			
Parks and Recreation Commission	1 of 1		
Personnel Board			
Planning Commission			

Board or Commission ranking comments

On October 10, 2007, the Parks and Recreation Commission ranked this study No. 1 out of 1 issue ranked for Council consideration for study in calendar year 2008.

B. Council

Council Rank (no rank yet)
Work Plan Review Date (blank)
Study Session Date (blank)
RTC Date (blank)
Actual Complete Date (blank)
Staff Contact



**DRAFT MINUTES
PARKS AND RECREATION COMMISSION
REGULAR MEETING
SEPTEMBER 10, 2008**

The Sunnyvale Parks and Recreation Commission met in regular session at 7:03 p.m. on September 10, 2008, with Chair Colvin presiding. The meeting was held in the Council Chambers, 456 W. Olive Avenue, Sunnyvale, CA 94086.

CALL TO ORDER / SALUTE TO THE FLAG

Chair Colvin called the meeting to order at 7:03 p.m. and led the salute to the flag.

ROLL CALL

Commissioners Present: Chair Jim Colvin
Vice Chair Richard Oliver
Commissioner Howard Chuck
Commissioner Robert Harms
Commissioner Bob Kinder

Commissioners Absent: None

Staff Present: David A. Lewis, Director, Parks and Recreation Department

CONSIDERATION OF ABSENCES - None

PUBLIC ANNOUNCEMENTS - None

CONSENT CALENDAR

1.A. Approval of Draft Minutes from Regular Meeting of the Parks and Recreation Commission on August 13, 2008.

MOTION: Commissioner Kinder moved and Commissioner Oliver seconded to approve Consent Item 1.A.

VOTE: Motion passed 4-0. Chair Colvin abstained because he was not at the August 13, 2008, meeting.

STAFF RESPONSES TO PRIOR PUBLIC COMMENTS – None

PUBLIC COMMENT - None

PUBLIC HEARINGS/GENERAL BUSINESS

2. Consider Impacts of Providing Sunnyvale Resident Discounts to City Recreation Programs for Active Duty Military and Their Families (Study Issue) (Council Action 10/7/08)

Director Lewis presented the staff report. He reviewed the report background, discussion, fiscal impact, alternatives, and staff recommendation.

Chair Colvin opened the public hearing at 7:10 p.m. There were no public appearances and the public hearing was closed at 7:11 p.m.

Commissioners discussed the report. They questioned the accuracy of the numbers presented in the report regarding the estimated number of eligible military individuals for the discount program. Staff indicated that some branches of the military gave approximate numbers of active duty members in the local area while some were vague due to security reasons.

MOTION: Commissioner Kinder moved and Commissioner Oliver seconded, to recommend that Council accept staff's recommendation Alternative No. 1: Direct staff to grant all active duty military and their immediate families' resident rates and reservation advantages for recreation activities, programs and services. This will remain in place unless the Recreation Division identifies a significant impact to the Community Recreation Fund and at that time would return to Council for additional direction.

VOTE: Motion passed 4-1. Commissioner Harms dissented because he felt that the study issue originators may be biased due to their personal military connections and also that, if enacted, this discount may lead to requests from other groups of public service workers.

NON-AGENDA ITEMS AND COMMENTS

COMMISSION

Commissioner Kinder thanked staff for the prompt repairs of the Ortega Park backstop due to recent vandalism.

Commissioner Kinder indicated that he had not seen the response to a recent citizen letter regarding conditions at the Sunnyvale Golf Course. Director Lewis indicated he would forward the response to the Commission.

Commissioners asked about the park dedication ordinance material in the Parks of the Future study. Director Lewis responded that this issue would be further developed along with recommendations in the report to council on the Parks of the Future study when it goes to Council.

Chair Colvin reminded the Commissioners that there was a handout at their place discussing the awards program for the California Association of Park & Recreation Commissioners and Board Members (CAPRCBM).

Chair Colvin voiced his thanks and his appreciation for Superintendent of Recreation Steward's quarterly report and all of the work efforts outlined therein.

STAFF

None

INFORMATION ONLY ITEMS

- Staff Liaison Report
- Miscellaneous Items of Interest

ADJOURNMENT

Chair Colvin adjourned the meeting at 7:27 p.m.

Respectfully submitted,

David A. Lewis, Director
Parks and Recreation Department

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