



Folsom City Council Staff Report

MEETING DATE:	7/8/2025
AGENDA SECTION:	Old Business
SUBJECT:	Resolution No. 11387 - A Resolution Amending Resolution No. 8792 with the Adoption of an Updated Community Facility Rental Fee Schedule with the Implementation of a Rental Fee Schedule on October 1, 2025, and Authorizing Staff to Increase Fees up to a Maximum of 10% Annually Until Equal to the Comparable Rates in the Region and as the Market Allows (<i>Continued from May 27, 2025</i>)
FROM:	Parks and Recreation Department

RECOMMENDATION / COUNCIL ACTION

Staff recommend that the City Council approve Resolution No. 11387 - A Resolution Amending Resolution No. 8792 with the Adoption of an Updated Community Facility Rental Fee Schedule with the Implementation of a Rental Fee Schedule on October 1, 2025, and Authorizing Staff to Increase Fees up to a Maximum of 10% Annually Until Equal to the Comparable Rates in the Region and as the Market Allows.

BACKGROUND

The Folsom City Council adopted a strategic plan that sets goals and priorities. The recommendations for the community facilities rental fee schedule align with supporting the City Council's priorities of financial stability. Many of the rental fees have not increased for over 10 to 14 years. The Parks & Recreation Department offers a broad range of indoor and outdoor facilities for rent for special events, meetings, and gatherings. In FY 2023-24, the department generated \$443,839 in rental fee revenue from in-door facilities. The department values its commitment to the community but also recognizes that certain services primarily benefit individuals and the user should pay a higher cost recovery. In addition, prior to the new fee increases, the City will have completed purchase of new tables and chairs, replacement of HVAC systems, and replacement of new kitchen equipment.

On an ongoing basis, the department will review and adjust fees and create new fees based on trends in the market. With the proposed fee changes, staff are recommending City Council allow more flexibility at the staff level to make changes to the rental fees. According to the Folsom Municipal Code, any changes to the community facility rental fees must be approved by the City

Council. By allowing staff to make changes to the fee schedule by up to 10%, this will allow staff to keep up with the market trends and demands.

In June 2002, the City Council adopted Resolution No. 6869, amending Resolution No. 3824, which established a fee structure for the Folsom Community Center. In June 2007, the City Council adopted Resolution No. 8053, which rescinded Resolution No. 6869, to establish a new fee schedule for the Folsom Community Center. In February 2011, the City Council adopted Resolution, which rescinded Resolution No. 8053, to establish a new fee schedule for the Folsom Community Center. Since then, no adjustments have been made to the fee schedule and no new rental facilities have been added.

On September 3, 2024, the Folsom Parks & Recreation Commission received the proposed fee schedule and unanimously recommended that the Folsom City Council approve the fee schedule. During discussions the parks and recreation commission recommended staff add language to existing policies to allow for flexibility at the staff level to implement fee changes to ensure fees keep up with the market demand and trends.

On May 27, 2025, staff presented the recommended fee schedule for the Community Facilities Fees to City Council. See Attachment 2 for May 27, 2025, staff report and recommended fee increases. After input from City Council, staff did an additional review of the fees taking into consideration comments from City Council.

POLICY / RULE

Folsom Municipal Code, Section 3.70.020 As used in this code “fees for rental of city facilities” includes but is not limited to, the fees for rental of the Community Center, R.G. Smith Clubhouse, City Park Pavilion, City Park Gazebo and Lew Howard Park Pavilion. [Ord. 727 (1991)]

Folsom Municipal Code, Section 3.70.030 Service Charges states that the fees for rental of City facilities shall be established by resolution of the City Council. [Ord. 727 (1991)]

ANALYSIS

Before establishing a new fee or recommending any changes to the Community Facility Rental Fee Schedule, staff have considered several factors such as market demand, competition, usage rates and the cost of services. At the May 27, 2025, City Council meeting, staff presented the recommendations from staff and the Parks & Recreation Commission on the recommended changes to the Community Facilities Fee Schedule. City Council did not approve the recommendations to the fee schedule and directed staff to evaluate the recommended fees again with feedback from City Council. Discussion included comments and concerns regarding the percentage increase for non-profit groups and consideration of an additional discount rate for non-peak times. Additional feedback included that fees were generating revenue that exceeded the User Fees and Charges Policy of 75% and to reconsider the range of fee increases. City Council directed staff to get input from non-profit organizations regarding the Community Facility Fee schedules and bring back new recommendations for changes.

Non-Profit Fees Analysis

Staff did an additional review of the non-profit rates. In review of the non-profit rates the Rotary Clubhouse and Community Center Full Ballroom have the largest discount in comparison to other rental programs for parks & recreation departments. See Table A for non-profit proposed fee discounts.

Table A – Revised Proposed City of Folsom Non-Profit Rate Discount from List Rates

Facility	List Rate	Non-Profit Rate	Percentage Discount
Community Center Full Ballroom Friday-Saturday	\$290/hr	\$140/hr	52%
Community Center Full Ballroom Sunday-Thursday	\$260/hr	\$125/hr	52%
Community Center Half Ballroom Friday-Saturday	\$160/hr	\$84/hr	48%
Community Center Half Ballroom Sunday-Thursday	\$130/hr	\$70/hr	46%
Community Center R.G. Smith Room Friday-Saturday	\$70/hr	\$35/hr	50%
Community Center R.G Smith Room Sunday-Thursday	\$60/hr	\$30/hr	50%
Rotary Clubhouse Friday - Saturday	\$114/hr	\$42/hr	63%
Rotary Clubhouse Sunday - Thursday	\$104/hr	\$37/hr	64%

The City of Folsom’s non-profit rate discounts ranged between 46% to 64%. In comparison to other recreation facility fee rental programs, City of Folsom has the highest discounted non-profit rate. The average discount for non-profit rates is between 12% to 35% from other local government agencies in the region. Please see Table B below for examples of percentage discounts.

Table B – Non-Profit Rate Discount from List Rates Comparison

Facility	Non-Profit Percentage Discount Range
City of Citrus Heights	12% to 19%
La Sierra Community Center	20% to 35%
Cosumnes CSD –Laguna Town Hall	9%
Carmichael Park Clubhouse	18% to 30%
City of Roseville - Maidu Community Center	14% to 16%

The non-profit fees have stayed the same since 2007. Staff recommend a fee increase for the non-profit groups to ensure the minimum direct costs are covered. With the increases to part-time staff wages, utility rates, equipment replacements, supplies, and maintenance, staff are recommending that City Council consider a fee increase for non-profit rates between \$0 and \$12 per hour. The non-profit rates at the Community Center Ballrooms during non-peak times, we propose no fee increases.

Staff reached out to our regular non-profit organizations that use our facilities, and they were appreciative of the proposed rates and discounts applied. Staff will continue discussions with any of the non-profit groups to determine if additional mutual benefit agreements are needed that may help offset additional rental use costs.

Peak and Non-Peak Rental Rates

During discussion with City Council, it was recommended staff consider a discounted rental rate for non-peak use on Sunday through Thursday. Staff added new fees for the non-peak times after reviewing the market demand in 2024. Table C shows the peak time vs non-peak times by facility. This is an added discount to increase the use during non-peak times. The discount for non-peak times ranges from \$5.00 to \$15.00

Table C – Peak Time vs Non-Peak Times

Facility	Peak Time Friday - Saturday	Non-Peak Time Sunday -Thursday	Discounted Range
Community Center Full Ballroom	\$290/hr List Rate \$215/hr Resident \$140/hr Non-Profit	\$260/hr List Rate \$180/hr Resident \$125/hr Non-Profit	\$30/hr \$35/hr \$15/hr
Community Center Half Ballroom	\$160/hr List Rate \$122/hr Resident \$84/hr Non-Profit	\$130/hr List Rate \$95/hr Resident \$70/hr Non-Profit	\$30/hr \$27/hr \$14/hr
Community Center R.G. Smith Room	\$70/hr List Rate \$60/hr Resident \$35/hr Non-Profit	\$60/hr List Rate \$50/hr Resident \$30/hr Non-Profit	\$10/hr \$10/hr \$5/hr
Rotary Clubhouse	\$114/hr List Rate \$94/hr Resident \$42/hr Non-Profit	\$104/hr List Rate \$84/hr Resident \$37/hr Non-Profit	\$10/hr \$10/hr \$5/hr

Summary of Fee Increases

Based on feedback from City Council, staff revised the methodology for all indoor fees. Instead of a percentage increase for the new proposed rates, staff increased fees by a flat rate and increased the discounts to non-profit organizations and non-peak times. The revised and updated proposed facility rental fee schedule can be found in Attachment 3.

As the City begins to evaluate budget constraints and closing the city deficit, staff recommend moving forward, changes to the Community Facility Rental Fee Schedule will be evaluated

annually. If the annual increase is more than or less than 10% these fees will be brought back to City Council for approval. These fee changes will be reflected in the department book of fees and updated on the website. Staff propose that the new fee schedule will be applied starting October 1, 2025. Staff will honor any existing rental agreements with the old fee until October 2026. The cost will not exceed the actual cost of service that is delivered.

FINANCIAL IMPACT

Staff estimate an increase in annual rental revenue of approximately \$44,300 with the proposed fee increases. The actual revenue could be higher or lower depending on activity. The full revenue estimate is based on the calendar FY 2026/27.

ENVIRONMENTAL REVIEW

There is no environmental impact.

ATTACHMENTS

1. Resolution No. 11387 - A Resolution Amending Resolution No. 8792 with the Adoption of an Updated Community Facility Rental Fee Schedule with the Implementation of a Rental Fee Schedule on October 1, 2025, and Authorizing Staff to Increase Fees a Maximum of 10% Annually Until Equal to the Comparable Rates in the Region and as the Market Allows.
2. Staff Report from May 27, 2025 - Community Facility Rental Fee Analysis
3. Updated Current and Proposed Community Facility Rental Fee Schedule

Respectfully Submitted,

Kelly Gonzalez, Parks & Recreation Director