



Folsom City Council Staff Report

MEETING DATE:	5/27/2025
AGENDA SECTION:	Public Hearing
SUBJECT:	Resolution No. 11387 - A Resolution Rescinding Resolution No. 8792 and Adopting a New Community Facility Rental Fee Schedule with Annual Adjustment not to Exceed the Consumer Price Index (CPI)
FROM:	Parks and Recreation Department

RECOMMENDATION / COUNCIL ACTION

Staff recommend that the City Council approve Resolution No. 11387 - A Resolution Rescinding Resolution No. 8792 and Adopting a New Community Facility Rental Fee Schedule with Annual Adjustment not to Exceed the Consumer Price Index (CPI).

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. 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. The department values its commitment to the community but also recognizes that certain services primarily benefit individuals or businesses. On an ongoing basis, the department will review and adjust fees and create new fees. According to the Folsom Municipal Code, any changes to the community facility rental fees must be approved by the City Council.

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 In June 2007, the City Council adopted Resolution No. 8053, which rescinded Resolution No. 6869, to establish a new fee schedule for the Folsom Community Center. In February 2011, the City Council adopted Resolution No. 8792, which rescinded Resolution No. 8053, to establish a new fee schedule for the Folsom Community Center.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 schedule, including provisions for annual adjustments not to exceed the Consumer Price Index (CPI).

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 factors such as market demand, competition, and the cost of services. The comparison of indoor facilities can be found in **Attachment 2**, and the Proposed Community Facility Rental Fees in **Attachment 3**.

Moving forward, changes to the Community Facility Rental Fee Schedule will be evaluated annually and adjusted by an amount not to exceed the Consumer Price Index (CPI) with an updated fee schedule effective at the beginning of the fiscal year. These fees will be brought to the City Council annually as a part of the annual city fee schedule.

Community Facility Rental Fee – Indoor Space

Staff are recommending fee increases to indoor rental spaces due to high demand and market rate adjustments for rental space. Currently, indoor facilities are booked between 82% to 88%. Additionally, staff compared other similar indoor venues of other agencies within the region (Community Facility Rental Fee Analysis – Attachment 2). Through this comparison, the City of Folsom rental fees were on average 30% lower than our neighboring public venues. In addition, staff took into account that although our fees are lower, that the majority of the Folsom facilities are over 20 years old and have decades of deferred maintenance.

It is the recommendation from Parks & Recreation Commission and staff that the rental fees for the indoor venues increase beginning September 1, 2025, with an annual increase from the Consumer Price Index (CPI) applied to our indoor rentable facilities each year. This will help with facilities being priced appropriately and within the market for available spaces. Any adjustments to the facility rental rates will be shown to the City Council with the overall CPI adjustments presented to them annually for city fees.

Outdoor Venues

The Department offers a variety of outdoor venues for rent that are unique to the region. Examples of the outdoor venues include the Dan Russell Rodeo Arena. This arena currently hosts events and activities annually. Because of the impact these events and activities bring to the site, staff recommend a 20% increase in the daily rental rate for the Dan Russell Rodeo Arena.

Staff recommend establishing new fees for city-owned property in the Folsom Historic District including the Zittel Family Amphitheater, Turntable, and Alleyway. To date, these fees have not

been captured in the community facility rental fee schedule. Based on historical usage rates, staff are recommending a decrease in the hourly rate but a new 4-hour minimum rental fee for use of the areas.

Additionally, staff recommends adding the current “per-user” fee to the fee schedule. The Johnny Cash Trail per user fee is for organized special events and fun runs that use the existing trail and align with the City of Folsom strategic plan on funding for the Johnny Cash Trail Art Experience. An example of a special event per user rate that pays a fee for use of the Johnny Cash Trail is the annual Folsom Turkey Trot.

Park Pavilions

Several park pavilions are available for rent at select park sites to accommodate exclusive use. Staff compared costs to the park pavilions at Elk Grove Regional Park (Elk Grove) and City of Roseville Picnic Rentals. The analysis showed these locations charge between \$11.13 to \$36.87 per hour based upon the capacity of the rental area for use time ranging from 6 hours to 8 hours. The department recommends a change in the rental fee for the park pavilions applying \$20.00/hour as the base rate for our pavilions with less than 100 capacities and \$25.00/hour for pavilions with over 100 capacities. This fee will be in line with the current market.

Additionally, staff recommend adding new fees for the Broder Family Homestead Park Pavilion, Prospector Park Pavilion, and Nisenan Park Pavilion to the fee schedule. The proposed fees for these sites are in line with rates for similar-sized pavilion rental locations. Staff recently launched a new online platform that allows the community to rent park pavilions and staff can adjust, add, and delete availability as needed and demand warrants. All park pavilions are available first-come first-served, unless someone rents it with 7-days advance notice. The registration system will only allow someone to rent a park pavilion within 60 days of the current date.

Annually staff will review the availability of any new park pavilion sites to be added to the park pavilion rental inventory with appropriate rates based upon size.

Cost Recovery

In accordance with the Parks & Recreation Department User Fees and Charges Policy, Resolution No. 7868, adopted by the Folsom City Council, identifies facility rentals with a moderate cost recovery rate of 50%-75%. The current cost recovery rate for our community facilities is 77%. The new recommended fee schedule is projected to increase cost recovery to 89% from analysis of current approximate expenses in relation to rental revenue.

FINANCIAL IMPACT

Staff estimate an increase in annual rental revenue by approximately \$136,576 with the proposed fee increases. This increase could be higher or lower than estimated depending on rental activity levels. New fees will be implemented on September 1, 2025, for any new rental reservations.

ENVIRONMENTAL REVIEW

There is no environmental impact.

ATTACHMENTS

1. Resolution No. 11387 - A Resolution Rescinding Resolution No. 8792 and Adopting a New Community Facility Rental Fee Schedule with Annual Adjustment not to Exceed the Consumer Price Index (CPI)
2. Community Facility Rental Fee Analysis
3. Current and Proposed Community Facility Rental Fee Schedule

Respectfully Submitted,

Kelly Gonzalez, Parks & Recreation Director