

To: Members of the School Board

From: Richard W. Raushenbush, Sub-Committee on Facilities

Re: Maintaining The Availability of District Athletic Facilities for the Community

Overview: “Maintaining and improving the long-term safety, accessibility, usability, and value of our school facilities within budget limitations and in collaboration with the City of Piedmont” is a major goal identified by the Board in the 2009-10 District Goals. To that end, the Board and the District initiated a review of school facilities use policies and practices in response to: (a) anticipated future expenses necessary to maintain the availability of District athletic facilities; and (b) community demand for additional access to school district facilities. As a public school system, the District operates in accordance with the Civic Center Act, which provides direction for use of school property by community groups and organizations. The following proposal was developed to address the Board’s Facilities Planning and Management goal and is consistent with the Civic Center Act.

Primary Goal: To prudently collect and set aside funds necessary to maintain the availability of District athletic facilities used by the Piedmont community through District, City and organized sports programs.

Secondary Goal: To more efficiently utilize District facilities to expand access.

Current Situation:

- **Facilities At Issue:** District athletic facilities used or to be used by the Piedmont community include the Witter Field Sports Complex (including Witter Football Field, Witter Track, Witter Baseball Field, Witter Softball Field, Witter Pole Vault/Jump, Witter Shot Put, and Weight Room), the PMS Patio Gym, the PMS Morrison Gym, the PMS Redford Gym, the PHS Binks Gym, the PHS Dance Studio, the PMS Multipurpose Room, and PMS Sports Courts, and will include the new Havens Field and the new Havens MPR/Gym.
- **O&M Expense:** The District covers Operations and Maintenance (O&M) expense for its athletic facilities through the General Fund. District O&M annual expenses include roughly: 1.5 FTE custodial (\$90K); .5 FTE landscaping (\$37.5K), third party maintenance of baseball/softball field grass (\$40K); water for fields (\$14K); gym floor refinishing (\$4K); and 1.0 FTE scheduling (\$60K). Total: \$245K.
- **Capital Costs:** In addition to O&M, District athletic facilities have expected capital costs. While artificial turf fields avoid much O&M expense and can be used year-round, the artificial turf eventually wears out, as does the Witter track surface. The District’s known future expenses include replacing Witter Field (est. \$600K) and Track (est. \$200K) at some point after warranty expires in June 2015. The expected warranty on the new Havens Field turf/infill (est. \$200K) will expire around August 2018 and at some point thereafter the turf will have to be replaced. The Redford Gym is expected to need new

bleachers (est. \$40K - \$60K) and all gyms may need new flooring (as opposed to refinishing) in the future.

- Sinking Fund: As a result of severe budget shortages, the District has not been contributing to a "sinking fund" for the future capital expenses for the District athletic facilities. At this point, the restricted capital fund (Fund 40) has a \$56K balance.
- District-City Facilities Use Agreement: The current District-City Facilities Use Agreement, incorporated in Board Policy 1330, provides (1) the City Recreation Department free access to District athletic facilities for Schoolmates and athletic programs; and (2) current District programs have first priority, City programs (Schoolmates and Recreation Dept.) and Adult Education second priority, and thereafter access is based on first-come, first-served basis. In return, the Agreement also provides the District with free access to City facilities with priority after City uses. The District has used/uses City tennis courts, occasionally Coaches Field, and the City has included District pool usage in its lease with the Piedmont Swim Club.
- Rental Fees: Consistent with the Civic Center Act, the District has a Facility Fee Schedule that sets a "direct costs fee" for Piedmont-based sports organization and a "fair rental value fee" to organizations not serving the Piedmont community. The "direct costs" rental fees are, for example, \$32/hr. for Witter Field, \$23.50/hr. for Witter Baseball Field, and \$42.50/hr. for PMS Morrison Gym and PHS Binks Gym.
- Usage: Available records for the time period 8/16/2009 to 8/15/2010 show PUSD uses facilities for non-PE sports 4874 hours (including Adult Ed) and pays \$245K in O&M, organized groups use facilities for sports 2160 hours and pay/will pay app. \$71K, and Rec Dept (non-Schoolmates and including PMS sports) uses facilities app. 2,266 hours and currently does not pay any fee.

Options for Covering Future Capital Costs

The options for covering known future replacement costs are few. The community as a whole has authorized bonds for the seismic program and parcel taxes to maintain school programs. Significant community donations also are funding school programs, and it would not be prudent for the District to count on donations to cover future capital costs. Prudent fiscal planning requires setting funds aside over time rather than counting on a surplus of funds in the future.

Recommended Solution for Covering Future Capital Costs

- All Users Pay:
 - The recommendation is that all users share the cost of maintaining the availability of District athletic facilities. Non-District users should do so through the (a) direct cost rental fees paid by organized sports groups, which pass that cost along to participants in their programs; and (b) new fees paid by the City Recreation Dept, which in turn is expected to pass that cost along to participants in its sports programs.
 - The District is the primary user of its athletic facilities and District programs (including Adult Ed) have first priority. Therefore, the District should continue ensure O&M expenses, which have been roughly \$245K per year.

- **Restricted Funds**
 - The District should set aside funds over time in a restricted account. The District should set aside funds equivalent to the rental fees/City Rec. fees paid (net of any use payments for City facilities) in the District's restricted capital expenditures fund ("Fund 40") for use only for athletic facility capital costs.
 - Note that this will remove from the General Fund the roughly \$70K per year currently collected for rentals, which somewhat offsets District O&M expenses.
- **Fee Amounts:**
 - The District fees for athletic facilities should be set with the expectation of generating roughly \$880K by Fall 2016 (the estimated \$800K cost of replacing Witter Field and Track plus a 10% margin), i.e. \$146K per year over the next six school years. (This assume the turf/track last at least one year beyond warranty).
 - Assuming past usage continues, current direct rental cost fees to organized groups and the Rec. Dept. (net of District-paid fees for using City facilities) are expected to raise app. \$140K per year. Recognizing that the new policies could alter usage patterns, the District should keep the same rental fees for 2010-12, and evaluate the need to alter rental fees in Fall 2012.
- **Discussions with City:**
 - City representatives agree that it is prudent to plan now for the replacement of District athletic facilities, and that the existing Facilities Use Agreement needs revision. District and City representatives are continuing to discuss whether a fee should be based on hourly usage or on a per participant basis, and appropriate compensation for District use of City athletic facilities.

Recommended Efforts to Increase Access

- **District Use:** To increase access for organized sports organizations, it is recommended that District staff: (a) evaluate scheduling procedures with a goal of avoiding reserved, but unused, facilities and increasing notice of availability; (b) evaluate the need for "open access" reservations; and (c) ensure that for-profit clinics hosted by PUSD athletic teams pay a direct costs rental fee.
- **Non-PUSD Access to Gyms:** Desired use of District gyms exceeds currently available capacity. The new Havens MPR/Gym should provide some additional capacity. The Piedmont Basketball Foundation (PBF) has pointed out that, unlike Piedmont Soccer Club and Piedmont Baseball, where sports organizations allocate facilities among recreational and competitive level participants, PBF offers competitive level basketball while the Rec. Dept. offers recreational level basketball. Currently, the Rec. Dept. has priority over all PBF use, meaning the recreational level basketball teams have priority over all competitive level basketball teams. The recommendation is to provide proportionally equal access to gym time between Rec. Dept. programs (basketball and volleyball) and PBF basketball during the basketball season based upon the number of teams participating in the programs (e.g. if there are 16 Rec. Dept. teams and 4 PBF teams, then the Rec. Dept. would have priority for 4 hours, then PBF for 1 hour, then

Rec. Dept. for 4 hours, and so on). Further discussions with the City and PBF will be necessary to set up an appropriate system consistent with this intent.

- **Reservation/Cancellation Requirements:** More efficient use of the facilities may result from early reservations and deadlines to cancel without payment of fees. It is recommended:
 - The Rec. Dept. should provide notice of its proposed scheduling as soon as it is reasonably available to the Rec. Dept. (e.g. when its programs are offered to the community), and no less than 60 days before the start of its programs using District facilities.
 - The Rec. Dept. shall provide notice of cancellation of scheduled facilities as soon as the Rec. Dept. concludes that access is not needed. In all events, the Rec. Dept. shall pay the adopted fee for facilities that have been reserved and not cancelled 30 days before the beginning of the scheduled Rec. Dept. program.
 - District staff shall have discretion, following consultation with Rec. Dept. staff, in determining which athletic facilities meeting the Rec. Dept. need are reserved for Rec. Dept. programs (e.g. Rec. Dept. programs for younger children may be scheduled for the PMS Patio Gym or Havens MPR Gym to provide access to Morrison Gym for organized sport programs for older children).
 - Organized sports organizations shall have access to District athletic facilities on a first-come, first-served basis. If an organized sports organization has reserved a District athletic facility more than 30 days ahead of the date of scheduled use, then such group shall pay the applicable rental fee for the reserved facility unless the reservation is cancelled 30 days before the date of scheduled use. If an organized sports organization has reserved a District athletic facility less than 30 days ahead of the date of scheduled use, then the group shall provide the earliest possible notice of any cancellation.

RECOMMENDATIONS

- Instruct District Staff to give the City written notice of termination of the existing Facilities Use Agreement. The Agreement provides that termination is effective 120 days after written notice. Termination will provide 120 days to negotiate a new agreement.
- Instruct District Staff and the Subcommittee to negotiate a new Facilities Use Agreement with the City consistent with the recommendations above, update the Board on the status of negotiations, and present the proposed new Agreement to the Board for approval.
- Instruct District Staff to evaluate District scheduling procedures, use of "open access" reservations; and for-profit clinics hosted by PUSD athletic teams, with an intent to provide public access to an extent consistent with the District's own athletic usage.