



## GOVERNING BOARD AGENDA ITEM AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

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**DATE OF MEETING:** February 23, 2016

**TITLE:** Approval of Facility Rental Program Fees

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### **BACKGROUND:**

A review of the Facility Rental Program has been completed and areas have been identified for improvements that include altering the fees schedule. A comparative analysis was completed with other school districts in the area. This analysis indicated that Amphitheater School District facility rental rates are in some areas significantly below the rental rates charged by neighboring districts. The summary information is attached.

Currently the rental rates charged fall into three categories:

Governing Board Approved non-profit organizations: These organizations have rental fees waived. These organizations provide a service or benefit to the District's students that is considered a "value in kind" transaction. The Governing Board is provided a listing of these organizations along with a short explanation as to the student benefit being provided to justify the request. These organizations do pay custodial overtime charges and utility fees.

Non-profit organizations: Organizations that hold a 501(c)3 designation may rent the District's facilities at a reduced rate as shown on the attached fee schedule.

For profit organizations: Organizations that are for profit or individuals that are not identified as a 501(c)3 may rent District facilities at the standard rate on the attached fee schedule.

The intent of the facility rental program is to ensure the cost associated with the communities' use of our facilities is recouped. Each school site receives 20% of the income earned from the rental of District buildings. The remaining funds are used to cover District personnel's overtime, utility cost, and equipment support that may have been requested.

As part of our review of the rental rates and fees, an analysis of the custodial overtime has already been completed. The current fee structure charges \$25.00 per hour for custodial overtime. However the average overtime cost excluding benefits for a custodian is \$28.10. This analysis reflects that the District is losing money (\$3.10) for every hour a facility is rented that requires custodial overtime.

The current custodial fees being charged during the scheduled work shift is \$4.00 per hour. This was identified as an issue because the additional work load the rental program places on our custodians results in less time dedicated to cleaning the school site as scheduled. The low fee is not adequate to compensate for any overtime cost so the result is a lower cleaning standard at sites with a high rental usage rate. In addition the rental program places a higher burden on the sites for general supplies such as bathroom paper products and trash bags. This cost should also be recouped and recommended changes to the custodial fees are identified below.

An analysis of the utility fees being charged has also been completed. The current fee structure charges \$20.00 to \$40.00 per hour depending on the size of the room or athletic field being used. An evaluation of the Districts current utility charges indicates that for smaller classrooms the \$20.00 per hour charge is adequate

with the average cost estimated at \$6.88 per hour for a classroom. For larger gyms and sports fields that charge appears low with the calculation indicating an average cost to the District for these venues being approximately \$48.98 for high school gyms and \$81.64 for athletic fields.

In addition to the cost calculation that has been completed for custodial overtime and utility cost, it was noted that other surrounding districts have in the fee schedules charges for administrative costs over and above the standard rental rates. These fees included: Late Payment Fees, Returned Check Fees, Short Notice Contract Change Fees, and Cancellation Fees for large events that required labor to accomplish set up ahead of the event.

Based on this review of the District's Facility Rental Program the following recommendations are being made for discussion and possible Governing Board action.

#### RECOMMENDATIONS:

1. Limit the fee structures to three categories as defined below:

a. Category 1. Governing Board approved organizations that provide a service in kind to the District and have all fees waived except for custodial fees. Custodial fees remain in order to obtain the funding to compensate the custodians for the additional hours worked and supplies utilized. Current listing of Governing Board approved organization is attached.

b. Category 2. Community non-profit organizations are provided a lower rate to account for the general good will and welfare of the Amphitheater community they serve that includes our students, parents, or staff of the District.

c. Category 3. Commercial for-profit organizations are charged the highest rate to ensure all costs associated with the event are recouped.

2. School sites continue to receive 20% of the gross rental proceeds from the rental of building space. This funding will be used to offset the additional supplies consumed such as bathroom paper products, trash bags, and cleaning supplies. These funds can also be used to pay for additional custodial overtime when rentals impact the ability to maintain the school property.

3. It is recommended that all utility fees be incorporated into the basic rental fee and not charged as a separate line item. This would simplify the fee structure and reduce the labor hours being used to complete the contract process. The attached recommended fee structure incorporates this recommendation.

4. Increase custodial overtime fee to \$35.00 per hour. This would ensure that the District's cost for custodial overtime is fully recouped and provides for some growth in labor cost before readjustment.

5. Increase custodial fees for custodial support during the work day to \$10.00 per hour. This would provide a small pool of funds to pay for the custodial overtime if needed to clean the school site if a facility rental limited their ability to complete the normal cleaning routine. It is essential that school sites are maintained and cleaned completely to promote a healthy learning environment.

6. Increase field fees to account for the additional costs associated with grounds maintenance and watering. These costs are hidden and seen in the amount of watering, reseeding and over-seeding being accomplished with the District's sports fields not being able to "rest" in the off-season. Additional labor costs are required to empty trash cans and generally police the areas after rental events.

*Exception: The District has an existing Intergovernmental Agreement with Pima County for the baseball and softball fields at Coronado K-8 School. Pima County paid for the field lights to be installed and covers*

*the maintenance and utility costs for the field light operations. This agreement specifies the rental rates for these fields and these rates will not be changed. The rate is currently \$7.50 per hour and matches the rate charged by the Pima County Parks Departments un-lighted field rental rate.*

7. Increase rental rates to match or be competitive with the neighboring districts. Please see the attached comparison chart and Amphi Proposed rental fees.
8. Add fees for the following issues that arise and consume administrative labor hours in the rental program:
  - a. Overdraft or NSF returned check fee - \$35.00
  - b. Late Payment Fee - \$25.00
  - c. Contract Change Fee (less than 5 days) - \$50.00
  - d. Cancellation Fee (events with fees over \$999.99 and less than 48 hour notice) - 10% of projected fee.
  - e. Set-up Fee - \$35.00 per event when special table and chair arrangements are requested or other preparation of the facility is needed.
9. The proposed rental rates were also adjusted to ensure Amphitheater School District Facility Rental Program remains the competitive low cost solution for facility rentals in the area.

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**RECOMMENDATION:**

The Administration recommends the Governing Board approve the Facility Rental Fee structure presented for any and all contracts executed on or after June 1, 2016.

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**INITIATED BY:**



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James Burns, Executive Manager, Operational Support

Date: February 12, 2016



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Patrick Nelson, Superintendent