
CITY OF ALBUQUERQUE

CITY COUNCIL

INTEROFFICE MEMORANDUM

TO: All City Councilors

FROM: Jon K. Zaman, Senior Policy Analyst
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SUBJECT: Revised Fiscal Impact Analysis of CS R-09-345 – Establishing Policy Regarding a Fee Structure for Renting Space in City Owned Community Centers, Health and Social Service Centers and Senior Centers.

DATE: April 12, 2010

This memorandum summarizes information provided by staff from the Administration relating to the fiscal impact of the above listed bill. The results were derived by reviewing current and past revenue generated at Community Centers as a result of usage fees paid by non-profit organizations.

Background

On October 7, 2009, the bill was introduced and referred to the Finance and Government Operations Committee (FGO). The bill calls for the usage fee policy for Community Centers to clearly state that non-profit organizations will not be charged to use space at the Centers and not be charged the current one-time refundable cleaning deposit fee. This bill was generated as the result of complaints to City Council staff about confusing and inconsistent existing fee waiver policies. For example, Neighborhood Associations were exempt from the fees, but Home Owner Associations were not. A school that had used one of the gyms for several years at no charge was suddenly asked to pay in excess of \$2,000 annually. Though these fee issues have subsequently been resolved, the need for a consistent policy remains.

In December 2009, Councilor Winter agreed to co-sponsor the legislation. In subsequent discussions it was decided to expand the bill to include the centers operated by the Department of Senior Affairs (DSA). DSA does not rent space in its facilities for one-time or occasional events such as wedding showers, birthday parties, etc. The Department has traditionally not charged fees for meetings held by Neighborhood Associations, Home Owner Associations, government sponsored town halls or Albuquerque Public Schools.

This legislation only addresses fees charged for one-time or occasional meetings (e.g. once a month). It does not address the fees charged as a result of ongoing classes offered by individuals or organizations at the centers.

Summary of Fiscal Impact Analysis

To estimate the revenue that would be lost to the City in future years if exempt organizations as defined in CS R-09-345 were not charged usage fees, Council staff reviewed the revenue received from July 1, 2006 through December 31, 2009. The revenue is deposited in the city's General Fund. An analysis of revenue over this time period results in an estimated annual cost to the GF of almost \$11,000. This was arrived at by calculating the average revenue received in FY/07, FY/08 and FY/09 from non-profits which would qualify for an exemption under this bill. Revenue received from July 1, 2009 through December 31, 2009 was not included in the estimated revenue loss average. Because the annualized average loss of \$7,500 for this time period was below the prior three year average staff felt it was best to be conservative and go with the higher average. Additionally, because of the current economic situation, groups which may have used the Center with a certain amount of frequency may be reducing their usage to conserve their budgets.

The average annual revenue loss of \$10,835, is equivalent to 0.002% of the General Fund budget.

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