

Fee Waiver and Community Use

Presentation to Council for Budget Workshop

Community Services Staff believe there are three areas that should be discussed with the Council as part of the budget reduction strategy. These areas include:

1. Financial Support for Partner Organizations Hosting Events or Providing Services for the City
2. Fee Waivers for Rentals of Banquet Rooms at the Community and Cultural Center
3. Low Cost or Free Use for Partner Organizations

Below is a summary for each area along with specific recommendations.

Area 1: Financial Support for Organizations Hosting Events or Providing Services for the City

The funding for each of the groups is budgeted in the City Council Community Promotions funding or in the Community Services Division budget and supported entirely by the General Fund. Staff is recommending reductions in the funding for these organizations. Should the City's fiscal situation improve, funding may be restored.

Group	Detail
Morgan Hill Downtown Assoc (MHDA) Safe Trick or Treat & Holiday Tree Request \$12,000 (\$6,000 for each) Recommendation \$6,000 Total	In conversations with the MHDA, the group indicated if provided limited funding it will support the Holiday Tree over the Safe Trick or Treat event. Given the current scenario, both the MHDTA and City staff believe the Safe Trick or Treat is highly unlikely to be held in 2020.
Morgan Hill Kiwanis Club Holiday Lights Parade Request \$6,000 Recommendation \$4,500	The Kiwanis have not discussed as a group, but event representatives have noted that if funding is at 50%, event will be significantly reduced, if there is no funding, they would not host the event.
Independence Day Celebrations Freedom Fest Events Request \$30,000 Recommendation \$15,000	It is unknown if any events at all will occur in 2020. If the funding was reduced by 50% in future years, the group noted they will try to adapt and may do less. Their priorities will be the fireworks and parade. The \$30,000 request was a significant increase from prior years (\$24,000).
South Valley Civic Theater Past Annual Funding \$10,000 Recommendation \$2,500	This funding supports educational outreach activities, tickets, and cast fee waivers to increase access to participants and audiences. These programs would be reduced should funding be reduced.
Healthier Kids Foundation (HKF) Past Annual Funding \$20,000 Recommendation \$10,000	HKF uses the City's funding as a match for their own funding, which allows for Morgan Hill to receive more significant support than other communities. If funding were eliminated the program would be severely reduced in Morgan Hill, not only reducing Morgan Hill funded programs, but also the matching funding provided by HKF. HKF would be able to continue services for an unknown number of years in a more limited capacity with a 50% reduction in funding.
Morgan Hill Historical Society (MHHS) Past Annual Funding \$20,000 Recommendation \$15,000	MHHS uses the funding to maintain Villa Mira Monte. Should the MHHS become insolvent, the site would revert to ownership by the City. This could create increased costs for the City. The group is conducting review of minimum cost structure to maintain facility and landscaping.
United Way 211 Past Annual Funding \$5,000 Recommendation \$0	While the City approved this funding on request from the organization, it was never invoiced to the City nor has the City paid into this in the past.
Boys and Girls Club (BGC) Park Place Program Past Annual Funding \$72,000 Recommendation \$45,000 Friendly Inn Program	Per the Friendly Inn Lease agreement, the BGC will receive \$6,000 in FY 20/21 and \$3,000 in FY21/22 and then no funding support for Friendly Inn operations in future years. The BGC separately runs the after-school program at Park Place for the City. The City is recommending funding for that program be reduced from \$72,000 annually to \$45,000 annually. This will reduce staffing levels, but still allow the program to continue.

Recommendation: \$6,000 FY20/21, \$3,000 FY21/22, \$0 Future years	
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Area 2: Fee Waivers for Rentals of Banquet Rooms at the Community and Cultural Center

The following groups request a waiver of fees annually for their events. The Council could consider reducing or eliminating these fee waivers. Fee waiver requests total approximately \$6,000. City staff is recommending reducing fee waivers for these groups to 50%.

<p>Indian Association of South Santa Clara County Flag Raising Event Fees Waiver Request: \$615</p>	<p>The fee waiver is for the use of amphitheater. The organization pays for City event staff time. Should the fee waiver be eliminated or reduced, IASSC would likely scale down the event, with a flag raising at the CCC and a smaller celebration at a picnic area if available. It is not likely the City would be able to generate significant revenue during the time booked as the Amphitheater is not in high demand during the time of this booking.</p>
<p>AAUW Annual Women’s Conference Fees Waiver Request: \$2,466</p>	<p>The fee waiver is for use of Full CCC Facility on a Saturday. The organization pays for City event staff time. The AAUW noted they would likely be able to hold a conference with a 50% fee waiver through securing other sponsors or scaling it back a bit. If the entire waiver were eliminated, it would be very difficult, and the organization would have to re-evaluate the event. The event is scheduled to allow for evening bookings of the major banquet rooms at the CCC in the evening, therefore potential revenue is not lost with the hosting of the event.</p>
<p>Morgan Hill Community Foundation Philanthropy Night Event Fees Waiver Request: \$3,000</p>	<p>The fee waiver is for use of Full CCC Facility on a Friday. The organization pays for City event staff time. Should the City reduce or eliminate the fee waiver, the MHCF would continue to host the event but may look for an alternative venue. The group would need to reduce the amount they are able to grant out to local organizations or services. The City would make the Friday night available for booking and may receive rental revenue, should the MHCF not host this event.</p>

Area 3: Low Cost or Free Use for Partner Organizations

The City provides low cost use of the City’s small meeting rooms for Community organizations for an \$18 daily use fee. If the City were able to collect full pricing for these uses, the costs and revenue would total over \$17,000 annually. However, after conversations with the 20+ organizations booking under the Community Use Policy, it appears almost all of them would be unable to pay for any significant cost increase and would stop using the facility. For this reason, staff is not recommending any changes to the Community Use Policy.

In addition to the Community Use Policy, the City’s rental policy allows for partner organizations to utilize City facilities at no cost. These are partners with the City via contract or government organizations providing service to Morgan Hill and include organizations such as the South County Youth Task Force, County of Santa Clara, the Red Cross and others. While most of these organizations would not pay a fee, these uses are noted as they take up City staff and resources. City staff are not recommending changes in this area at this time but may do so in the future should more long-term changes be necessary.