



## CITY COUNCIL REPORT

DATE: March 6, 2009

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager, Finance and Administration  
Carol Anderson, Parks and Recreation Director

SUBJECT: Non-Profit Group Meeting Room Policy at Community Center

### Background:

- Under current room usage policy at the Community Center, any 501 (C) non-profit tax exempt corporation, community/civic organization, church, fraternal body, educational unit, or government organization that consists of at least 75% Troy residents are not charged to use a Community Center meeting room during regular business hours (Monday – Friday, 8 am – 10 pm; Saturday 8 am – 1 pm). In addition, these groups are not required to pay for use of the audio visual equipment and are exempt from the Community Center Food Policy (Exhibit 1).
- This policy was developed prior to the renovation of the existing Community Center in 2002 when the rooms in the facility were not available for rent to the general public and fewer programs were offered by the Parks and Recreation Department. The intent was for non-profit groups to be able to use the rooms primarily for monthly meetings.
- After the renovation was complete and additional rooms were added to the Community Center, the total number of reservations increased from 2,116 in 2001-02 to 10,782 in 2007-08. Of this total, 27% were reserved for non-profit groups, 54% for parks and recreation sponsored activities/programs and 19% for public groups who pay a rental fee.
- There are approximately 50 non-profit organizations that reserve rooms under the no fee policy (Exhibit 2). A majority of these groups reserve one or more rooms on a weekly basis and run programs that are advertised to be free to their members.
- Approximately 20 non profit groups (i.e. High School Sport Teams, Scout Groups, Homeowner Associations, Ethnic Organizations) hold special events such as banquets and holiday parties for no charge despite extensive set up, take down and cleaning that is involved with the event.
- Due to the quality accommodations that are provided at the Community Center, the quantity of non-profit group meetings has increased to the point that it is difficult for new revenue producing Parks and Recreation programs or private rentals to find space for their activity at peak times.
- The cost to provide services and utilities to these non profit groups has increased since the facility has opened yet the general fund subsidy to accommodate these groups has remained the same.
- In order to increase revenue, City Council adopted revenue enhancements on February 16, 2009 that included the establishment of a room rental fee for non profit groups who stage meetings and activities at the Community Center (Resolution #2009-02-045).

### Policy Considerations:

- City management has developed a revenue producing fee structure for non profit groups to use the Community Center. Under this new policy, non-profit groups will be limited to one reservation per month and be charged \$20 per hour (50% of the Troy Business Rate) to reserve space for any additional meetings during the month. This will impact the groups that are listed in Exhibit 2 that meet weekly or bi-weekly. In addition, non profit groups that hold events in Room 304-305 will be charged a \$30 set up/cleaning fee. This new fee structure will be implemented at the conclusion of the current reservation period (September 1, 2009).
- As a result of this change, it is anticipated that \$27,500 of additional revenue would be earned (Exhibit 3).

## **Troy Community Center Food/Beverage Policy**

Groups that would like to serve food or beverages at their events in the Troy Community Center have the following options:

1. Order from the Community Center “preferred” caterer(s). If a qualifying meal is ordered, the group will receive a 35% discount on the room rental charges (excluding labor) provided the following minimum conditions are met:
  - Qualifying food order must be \$5 or more per person
  - Group size of 20
  - Two hour room rental
  
2. Order from a caterer that is not “preferred”. Groups may hire another caterer to provide food and beverages but are subject to the following charges and conditions:
  - Cleaning Fee - \$30
  - Service Fee (per person) - \$.75 for breakfast, \$1 for lunch, \$2 for dinner (There is no service fee if beverage or snacks are served)
  - Breakfast items include bagels, muffins and pastries. Snack foods include pre-packaged non-perishable items and desserts.
  - Caterer must have valid kitchen license.
  - Caterer or group will not have access to the kitchen area.
  
3. Carry in food prepared from home, store or restaurant. Groups, with the exception of non-profit groups (see below) may bring in their own food and beverages but are subject to the following charges and conditions:
  - Cleaning Fee - \$30
  - Service Fee (per person) - \$.75 for breakfast, \$1 for lunch, \$2 for dinner (There is no service fee if beverage or snacks are served)
  - Breakfast items include bagels, muffins and pastries. Snack foods include pre-packaged non-perishable items and desserts.
  - Group will not have access to the kitchen area.
  - The food being served is only available to members of the group. It cannot be served to the public.

### Other Information

1. Any non-profit tax exempt (501c) corporations, community/civic organizations, churches, fraternal bodies, educational units or government organizations that consist of at least 75% Troy residents in attendance are permitted to carry in food prepared from home without incurring the service fee and will be subject to the cleaning fee if the room does not pass a post event inspection.
2. Individuals visiting the Community Center may consume food brought from home or purchased at a restaurant without incurring a cleaning fee or service fee as long as the food is not being served for a group function. For example, a patron may eat their individual lunch anywhere in the facility.
3. The kitchen is not available for use by any group except by a “preferred” caterer who may use it in the process of staging their meal.

## Exhibit 2

The following non-profit groups meet at the Community Center under the no-fee policy.

### Groups That Meet Weekly or More (22)

Troy Noontimers (Alcoholics Anonymous) - Monday, Friday  
Nothin But the Book (Alcoholics Anonymous) – Wednesday  
Al-Anon (Alcoholics Anonymous) - Friday  
Church in Troy - Monday, Saturday  
Indian Dance Club - Monday, Saturday  
Troy Chinese School - Tuesday, Friday  
ACACAE/CAGD (Chinese Association of Greater Detroit) – Tuesday, Wednesday, Friday, Saturday  
Chinese Dance Club - Thursday  
Michigan Chinese Folk Dance Club - Thursday, Friday  
Performing Arts Club - Wednesday  
Nadanta - Wednesday  
ARC of Oakland County (Weight Watchers for the Disabled) - Thursday  
Wattles Robotics Club - Thursday  
Charity Cup (Religious Group) - Thursday  
Path Bhaban (Bengali Organization) - Friday  
Buddha’s Light International Association - Friday, Saturday  
Girl Scout Troop (Multiple Troops) – Various days  
Waray-Waray International Organization (Philippine Dance Group) - Friday  
Falun Dafa (Chinese Meditation Group) - Saturday  
Oriental Art - Saturday  
Hindu Swayamsevak Organization - Saturday  
Mizuno Dance Club – Saturday  
Troy High School Cheerleaders - Monday to Friday  
Troy High School Winterguard – Monday to Friday

### Groups That Meet Twice per Month (4)

Cub Scout Troop (Multiple Groups) – Monday, Wednesday  
Democratic Club - Wednesday  
American Romanian School – Saturday

### Groups That Meet Monthly (16)

AAll Fast Track – Monday  
AAll Fast Track - Tuesday  
Community Chorus - Monday  
Troy Soccer League- Monday, Tuesday  
Primrose Garden - Tuesday  
Troy Women’s Association - Tuesday  
Girl Scout Troop – Tuesday, Thursday  
Troy Garden Club -Wednesday  
Leadership Troy - Wednesday  
Beachwood Recreation - Wednesday  
Troy Youth Soccer League -Thursday

Troy Newcomers - Thursday  
 Senator Pappageorge - Saturday  
 Homeowner Associations (Multiple Associations)

Special Events and Banquets in Room 304 - 305

Troy School Sports Teams Annual Banquet (6)  
 Boy Scout Blue and Gold Banquet (3)  
 Pine Wood Derby (3)  
 Indus Science Fair  
 Troy Elementary School Fun Fairs and Dances (6)  
 Community Coalition Banquet

Exhibit 3  
Revenue Projections

New Policy – One reservation per month for no charge, \$20 per hour room rental for other reservations, cleaning charge

| <b>Source of New Revenue</b> | <b>Estimated Revenue Calculation</b>                                 | <b>Amount</b>   |
|------------------------------|----------------------------------------------------------------------|-----------------|
| Non Profit Groups            | 10 groups renting space x \$40 per meeting x 3 per month x 12 months | \$14,400        |
| Private Rentals              | 2 new rentals per week x \$100 per meeting x 50 weeks                | \$10,000        |
| Recreation Programs          | 1 new program per week x \$50 per meeting x 50 weeks                 | \$2,500         |
| Cleaning Fee                 | 20 banquet events x \$30 cleaning fee                                | \$600           |
| <b>Total Revenue</b>         |                                                                      | <b>\$27,500</b> |