TOWN COUNCIL STAFF REPORT

Title: Town of Mammoth Lakes FY22-23 Master Fee Schedule Update.

Meeting Date: June 15, 2022

Prepared by: Rob Patterson, Administrative Services / Finance Director

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RECOMMENDATION:

Staff is recommending that the Town Council conduct a public hearing on the proposed fees and charges. After taking public comments and consideration of the proposed fees, adopt the attached resolution establishing and updating a master schedule of fees and charges for Town services for FY22-23.

BACKGROUND:

Proposition 4 was approved by the California voters in 1979 and amended Article XIIIB of the California Constitution. Article XIIIB limits government appropriations and defines proceeds of taxes as all tax revenue and the proceeds to an entity of government, from regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service. In 2006 the voters adopted Proposition 218 which further limited local government's ability to set fees and charges and required specific types of fees and charges to go through more involved public process. In line with the California Constitution and subsequent court rulings, the Town of Mammoth Lakes Municipal Code Chapter 3.39 Fee and Service Charge Revenue/Cost Comparison System details Town services provided that are to receive a subsidy from the General Fund and defines "costs reasonably borne".

The cost recovery for eligible fee supported services range from 0% to 100% of the "costs reasonably borne" to provide the service. The Town has established a policy of a range of cost recover to encourage certain actives and compliance with Town codes. For example, there is only partial cost recovery for recreation services. The cost of a film permit is also partially recovered as the use of the area for this purpose is desired and Town costs should not be a hindrance for compliance or to conducting business. The vast majority of development related services are designed for full cost recovery. The "costs reasonably borne" include but are not limited to; direct costs such as wages and benefits, indirect costs such as computer costs, communication expenses, services and supplies, insurance, and both department and general overhead costs. The proposed fees and charges have been reviewed by staff and meet the statutory requirements.

The fees that the Town collects for services provided can be categorized into two broad areas. The first is variable fees. For variable fees a deposit is collected, and staff time and costs are tracked against the deposit (cost accounting.). This method is especially useful for large or complicated projects. The fees listed on the updated fee schedule with the

designation of "Cost Accounted" are the variable fees. Cost accounting includes charging for direct pass-through costs such as consultant charges, hourly salary and benefit rate for employees plus an overhead charge. The second category is fixed fees. A fixed fee simplifies the collection process and saves the customer the cost that is generated from the time involved doing the "cost accounting". The general method that is used to determine a fixed fee is to first identify each service-by-service type. Second, staff time is tracked for the majority of fees and an average amount of time is calculated then multiplied by the staff billable rate. Some fixed rates are also set more based on the market and the desire to provide community services such as those provided through the recreation department and are not necessarily designed for full cost recovery.

The list below includes a summary of changes made to the Town of Mammoth Lakes fee schedule proposed for FY22-23:

Financial Services / Administration Fees

The Finance department has added a fee for the new Certified Properties annual renewal fee. The fee is comprised of pass-through cost for online monitoring, $25 per unit, and cost of staff time for processing the renewal and administrative activity, $17 per unit, for a total of $42 per unit annually.

Staff also updated the Annual Renewal Business Tax Certificate (BTC) Processing by $4 per year to $17 per BTC per year. This reflects additional staff costs in processing the renewal and administrative activity for each account.

Community and Economic Development – Building Division

New Structures and Additions permit fee is based on the square footage construction costs from the International Codes Council's Building Valuation Table as adopted by the Town and multiplied by a factor of 0.032. The Development Impacts Fees (DIF) were increased by 13.4% in accordance with the Construction Cost Index as published by Engineer News Record for the preceding twelve months.

Public Safety Fees

There are no recommended changes to the Public Safety Division Fees for FY22-23.

Airport Fees

The Airport had minor revisions to the fee schedule to address Ground Transportation kiosk, signage and usage of the Airport. The proposed fee includes a charge of $100 per month for ground transportation operators picking up and dropping off at Airport Facilities. There is a new charge of $76 per month for Kiosk location and storage on airport property (optional), and Ground Transportation posted signage (optional) $35 per month. The intent is to formalize the procedures and fees governing ground transportation companies operating at the Airport.

Public Works / Engineering Fees

There are no recommended changes to the Public Works / Engineering Division Fees at this time. The cost of operations on the Town's snow storage lot is currently in

negotiation and fees associated with the cost of operations will be brought before Town Council as a separate item once more information is known.

Community and Economic Development – Planning Division

The Planning Division has made a number of updates to Permit/Services section fees for FY22-23. The fee increases represent increased cost of administering these services. See below for a summary of updates:

Adjustments increasing by $50 to $1,058 per item.
Administrative Permit increasing by $50 to $651 per item
Administrative Permit – Mobile Business increasing $50 to $476 per item.
Design Review – Administrative (New Single Family) (ADR) increasing $50 to $1,071 per item.
Design Review – Administrative (Not New Single Family) increasing by $50 to $582 per item.
Design Review – Minor (DR) increasing by $50 to $1,407 per item.
Lot Line Adjustment (LLA) increasing by $50 to $1,096 per item.

Public Art

This fee is currently reduced $0 through June 2023 by resolution in FY21-22 fee schedule adoption.

Parks and Recreation Fees

The Parks and Recreation department brings the program fee to Town Council annually in March, ahead of the program sign up season. The fee increases were approved on March 16, 2022 and are included as highlights on Attachment A to identify those that have changed. In addition to the program fee updates, Parks and Recreation has added some fees subsequent to the program updates. The Edison Theatre was added to the program in late May and a fee schedule was developed to reflect this new amenity. Below is a summary of additional charges:

Rental Fee – Library / Conference Room - $31 per hour with two hour minimum.
Rental Fee – Edison Theatre - $125 partial day – four hour minimum
Rental Fee – Edison Theatre - $200 per day – eight hour session.
Technical Assistance – Sound, Stage, Lights etc. - $60 per hour
Rental Fee – Parking Lot - $15.50 per hour.

Other Fees and Charges

The Master Fee Schedule includes the majority of the service-related fees and charges for the Town but is not all-inclusive. There are some fees and charges specifically enumerated by ordinance and tied to a specific permits or licenses. It does not include taxes, fines or penalties.

OPTIONS ANALYSIS

Option 1: Approve the attached resolutions establishing and updating a schedule of fees and charges for Town services

Option 2: Provide alternative direction on proposed fees.

FINANCIAL CONSIDERATIONS:

The proposed modifications to the Town's fees and charges are designed to achieve proper cost recovery for the services provided and to enhance efficiencies in the process. The lack of proper fees and charges will mean a redirection of other revenue from Town General Fund to support Town services that should be fee supported. The proposed fees and charges provide a balance between full and partial cost recovery based on the type of fee and services provided.