



AGENCY: City Council
MEETING DATE: January 22, 2024
DEPARTMENT: CV Starr & Finance
PRESENTED BY: M. Wooden
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AGENDA ITEM SUMMARY

TITLE:

Proposed Updated Resolution Adopting CV Starr Fees

ISSUE:

The City reviews and updates the City's Fees, consistent with the goal of ensuring, with only a few exceptions, that fees for City services are sufficient to fully recover the cost of providing those services. The attached proposed fees have been prepared to meet this strategic objective. A comprehensive study of the C V Starr Community Center's fee schedule has never been completed before. In January, the CV Starr Staff began working diligently with the City's finance team and took a more in-depth approach to analyzing each activity described in the fee schedule. Staff time for each task and the cost of any external supplies or services are factored into the estimated average cost of performing the service.

On March 6, 2012, voters in the City of Fort Bragg passed Measure A, which enacted Ordinance No. 902- 2012 authorizing the City of Fort Bragg to levy one-half of one percent special sales tax to fund operation, maintenance, and capital improvements at the C.V. Starr Community Center and to be administered by the State Board of Equalization. The ordinance established that, prior to levying the sales tax, the parties must enter into a property tax sharing agreement, and title to the premises must be transferred to the City. Both parties entered into a property tax sharing agreement that allows the City to allocate certain revenues ("Property Tax Revenues") for the operation and maintenance of the C.V. Starr Community Center. The City of Fort Bragg took the C.V. Starr Community Center title on May 14, 2012.

On August 2, 2023, the Mendocino Coast Recreation and Park District (MCRPD) Board of Directors voted to end the operating agreement between the City of Fort Bragg and MCRPD as it pertained to the operation of the CV Starr Center. Over the past several months the management team at the Center has been working with the City's finance team towards the goal of financial sustainability.

On October 23, 2023, an updated fee schedule for the Starr Center was presented to the City Council. At that meeting, a resolution was passed to adopt the newly updated fee schedule as presented. The fee schedule was set to go into effect on January 1, 2024. As January approached and the Center's team worked to input all on the new fees into the Center's software, it was discovered that the additional Family Member Add-on for an Annual Membership was miscalculated. In addition, we found that we only offered one choice for birthday parties. This historically was not the case. Before the pandemic the Center always offered either a half-room or full-room birthday party, thus giving families more options. When the Center reopened in July 2021, after the pandemic there were still many operational restrictions around COVID, that did not allow us to offer both choices.

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As we move forward into 2024, the Center feels it is important to give the community and families as many options as possible.

ANALYSIS:

Due to the tax revenues the center receives to supplement operations, the methodology implemented in the review of each fee has been a lower cost recovery goal in order to keep program and facility use fees affordable, especially to low-income residents while addressing rising operating expenditure costs as discussed above.

The FY 2023-24 fee schedule update includes the following noteworthy changes:

1. Annual Membership

- a. **Family Member Add-On.** The fee scheduled adopted on October 23, 2023, listed the family add-on for the year as \$20.00. The correct fee should have been \$204.00 for the year. This is calculated by taking the Recurring Monthly Membership Family member add-on of \$20.00, multiplying it by 12 months (\$240.00) and then applying the 15% discount (\$36.00) for the yearly membership, which gives the total of \$204.00 for the year.

2. Swimming Parties

- a. **Swimming Parties, Full Room Rental.** A full room rental party allows for up to 30 swimmers to swim during Swim, Slide and Splash times. The full party room is open to the renter with all tables and chairs available for use.
- b. **Swimming Parties, Half Room Rental.** A half room rental party allows for up to 15 swimmers to swim during Swim, Slide and Splash times. With a half room rental, the room partition wall is pulled out, thus allowing two rentals to take place at once.

Legal Requirements

State law contains a number of provisions that affect a City's establishing and updating City fees. They can be summarized generally as follows:

- (i) A City may set fees to recover the full cost of providing services, but fees cannot be levied in excess of the cost of service or for general revenue purposes.
- (ii) A Cost-of-Service Study may be used as the basis to calculate and set fees to recover the full cost of providing services and to make findings that the fees reflect a reasonable estimate of the cost of providing the applicable services.
- (iii) As for the process of adopting fees, State law requires that changes to the City's fees be presented to the City Council at a Public Hearing in accordance with Government Code section 66016, which requires that

there be two publications of the meeting notice in the local newspaper, advance notice is provided to any party that requests to be notified of any proposed fee adjustments, and that the full package of the proposal is made available to the Public no less than ten days prior to the Hearing.

- (iv) In addition, approved changes may take effect no less than 60 days after approval.

Staff has published and complied with the notice requirements for the proposed changes herein and brought the proposed fees before the City Council on January 22, 2024, to conduct a Public Hearing. If approved, Staff recommends that any changes approved pursuant to this item become effective on March 23, 2024, which is 60+ days from the conclusion of the Public Hearing and approval.

RECOMMENDED ACTION:

Following the City Council's review and discussion, conduct the Public Hearing and consider adopting the amended updated fees for the CV Starr Center.

ALTERNATIVE ACTION(S):

Request additional information.

FISCAL IMPACT

Although the exact fiscal effect of the updated fee changes cannot be accurately estimated, amending these fees will allow for a more significant recovery in helping offset the cost of the day-to-day operations of the C.V. Starr Community Center. The offering of full-room or half-room birthday rentals has the potential to increase rental revenue and allow more community members access to the room.

GREENHOUSE GAS EMISSIONS IMPACT:

The review of this report has little impact on greenhouse gas emissions.

CONSISTENCY:

These fee updates are consistent with the established City Council policy requiring full cost recovery for services provided. All legal requirements discussed above have been adhered to.

IMPLEMENTATION/TIMEFRAMES:

If approved, the fees will become effective on March 23, 2024. The Consolidated Fee Schedule will be updated and distributed to City and CV Starr staff and will be posted on the website.

ATTACHMENTS:

1. Resolution Adopting Fee Schedule
2. Fee Schedule Exhibit A
3. Public Hearing Notice

NOTIFICATION:

None.