



CITY COUNCIL STAFF REPORT

DATE: May 7, 2014 NEW BUSINESS

SUBJECT: PROPOSED RESOLUTION AMENDING THE COMPREHENSIVE FEE SCHEDULE TO MODIFY USER FEES FOR VILLAGEFEST

FROM: David H. Ready, City Manager

BY: Parks and Recreation

SUMMARY

The City Council will consider modifying user fees for VillageFest, to ensure the VillageFest event is self-sustaining and not reliant on a subsidy from the General Fund. The overall recommended increase is approximately six (6) percent to increase annual revenue by approximately \$25,500. The fees for VillageFest have not been increased since 2008.

RECOMMENDATION:

Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MODIFYING USER FEES FOR VILLAGEFEST AND AMENDING THE COMPREHENSIVE FEE SCHEDULE ADOPTED BY RESOLUTION NO. 21578 AS AMENDED."

STAFF ANALYSIS:

Pursuant to California law, the City can set and collect user fees for certain programs that benefit a specific user rather than the public at large. Fees, as opposed to taxes, must be for the actual cost of the program, including any administrative costs.

VillageFest (Fund 127) is an enterprise fund and was created for VillageFest to be self-sufficient and not reliant on a subsidy from the General Fund.

Last year during the budget process the Finance Department projected a budget short fall of \$17,754 for VillageFest. The VillageFest fees have not been increased since 2008, and City staff made a conscious decision not to increase fees during the economic downturn, rather further look for expenditure reducing opportunities.

Preparing for the new fiscal year, at the request of the City Manager, the VillageFest Board began evaluating the revenue and expense reports and recommended revenues needed to be increased to continue the quality of the weekly event, and ensure public safety.

The VillageFest Board agreed that a six (6) percent increase across the board for all vendors would be sufficient to close the funding gap between revenue and the ongoing operational expenses. The proposed Fiscal Year 2014-15 Budget for VillageFest includes a short fall of \$25,305.


The VillageFest Board recommended the City Council increase user fees for VillageFest and authorize the City Clerk to incorporate such fees in the Comprehensive Fee Schedule.

FISCAL IMPACT:

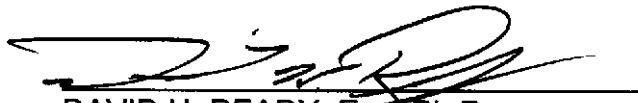
The proposed increase in fees for VillageFest will result in total net annual revenue increase of \$25,500, and will balance the VillageFest budget for Fiscal Year 2014-15.



VICKI OLTEAN
Director



JAMES THOMPSON
Chief of Staff/City Clerk



DAVID H. READY, Esq. Ph.D.
City Manager

- Attachments:
1. Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MODIFYING USER FEES FOR VILLAGEFEST AND AMENDING THE COMPREHENSIVE FEE SCHEDULE ADOPTED BY RESOLUTION NO. 21578 AS AMENDED.

WHEREAS, the City, under various statutory provisions under California Government Code, may set and collect fees for the costs of providing a particular service; and

WHEREAS, the City Council had previously established user fees for VillageFest; and

WHEREAS, the City Council desires to update the VillageFest fees and modify fees to reflect the reasonable cost of providing the service.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. FINDINGS.

- a. City staff has completed an analysis of fees for VillageFest.
- b. The current user fees are insufficient to cover all the City's costs and expenses associated with providing VillageFest.
- c. The cost of such services should be borne by those who are the special beneficiaries rather than the citizenry at large.
- d. There is a reasonable relationship between the amount of the fee and the estimated reasonable cost of providing the type of service for which the fee is imposed.
- e. The fees do not exceed estimated reasonable cost of providing the service for which the fee is charged.

SECTION 2. FEES IMPOSED.

- a. The City Council adopted and imposes VillageFest fees as provided in Exhibit A, attached hereto and incorporated by reference.
- b. Each person requesting service in for VillageFest shall pay the new fee.
- c. On July 1st of each year, commencing on July 1, 2015, the fees and charges shall be automatically adjusted by an amount equal to the percentage of increase or decrease in the Consumer Price Index for this region, as last computed for

the previous twelve (12) months, to reflect the cost-of-living changes and to ensure that changing economic conditions do no impair the real value of the fees and charges.

SECTION 3. SEVERABILITY.

Each component of the fees and all portions of this Resolution are severable. Should any individual component of the fee or other provision of this Resolution be adjudged to as invalid, the remaining provisions shall be fully effective, and the fee shall be fully effective except as to that portion that has been judged to be invalid.

SECTION 4. EFFECTIVE DATE.

The fees imposed by Sections 2 of this Resolution shall be effective on June 30, 2014.

SECTION 5. COMPREHENSIVE FEE SCHEDULE.

The City Clerk is hereby authorized and directed to incorporate said modifications and fees into the Comprehensive Fee Schedule, adopted by Resolution No. 21578 as amended.

PASSED, ADOPTED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL
THIS 7TH DAY OF MAY, 2014.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 7th day of May, 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California

**EXHIBIT A
VILLAGEFEST FEES**

	Current Fee	New Fee
Application Fee	26.00	30.00
General Vendor Annual (January to December)* Season 1 (October to May) Season 2 (June to September)	1,800.00 258.00 per month 155.00 per month	1,925.00 275.00 per month 165.00 per month
Food Service Vendor Annual (January to December)* Season 1 (October to May) Season 2 (June to September)	2484.00 325.00 per month 191.00 per month	2,650.00 340.00 per month 210.00 per month
Retail Merchant Vendor (maximum one-month per vendor) Season 1 (October to May) Season 2 (June to September)	129.00 per month 78.00 per month	140.00 per month 85.00 per month
Attractions Vendor Palm Springs Season 1 Palm Springs Season 2 Non-Palm Springs Season 1 Non-Palm Springs Season 2	258.00 per week 155.00 per week 310.00 per week 186.00 per week	275.00 per week 165.00 per week 330.00 per week 200.00 per week
Non-Profit Vendor (4 week maximum paid in advance)	41.00 per week	45.00 per week
Political Vendor (8 week maximum paid in advance)	52.00 per week	55.00 per week
Commercial Vendor	207.00 per week	220.00 per week
Standby Vendor	88.00 per week	95.00 per week
Entertainers	Negotiated	20.00 per week
Insurance Processing Fee (incorporate into general VF fees)	15.00	Delete Fee
Late Payment Fee	None	25.00

*Annual Vendors pay 50% of the fee twice per year.