



Board Report

File #: RES 18-093, **Version:** 1

Adopt a Resolution to amend Article V of the Monterey County Master Fee Resolution effective September 1, 2018, to adjust and establish new fees relating to Parks user fees pursuant to the attached Article V.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution to amend Article V of the Monterey County Master Fee Resolution effective September 1, 2018, to adjust and establish new fees relating to Parks user fees pursuant to the attached Article V.

SUMMARY/DISCUSSION:

The Resource Management Agency-Parks (RMA) has identified the need to reorganize and update Article V - Parks User Fees of the Monterey County Fee Resolution. Article V has not been updated since September 30, 2014. Staff proposes changes to both the organization and content of the current fee schedule:

1. **Organization.** Fees are organized by County park, leading to inconsistencies and duplication of fees, creating confusion, and making it difficult for staff to implement. For instance, there are currently 10 different day-use vehicle entry fees on the fee schedule ranging from \$5 to \$15. Removing reference to specific parks allows staff to apply fees when new parks are added like the County-owned open spaces lands and the Travel Camp in the former Fort Ord area.
2. **Content.** In working with the current Article V, RMA identified several park activities for which there is no fee established, such as walk-in or bike-in entry for day use. Also, some fee units are difficult to implement and erosive of fee value, such as vehicle entry included in the price for group picnic areas. These content issues are contributing to a troubling state of Parks finances. Staff is proposing changes that create opportunities to recover overlooked costs.
3. **Inconsistencies.** Upon review of the current fee schedule, staff uncovered several inconsistencies between policy set by Chapter 14.12 of the Monterey County Code, and policy language included in Article V. These amendments seek to strip all policy items from Article V and to clarify any inconsistencies. Concurrently, staff is updating Chapter 14.12 so all fee policies align.

This reorganization is designed to make Article V easier to navigate, consolidate the same fees associated with multiple parks, and provide flexibility for adding new park/open space lands.

Staff has prepared amendments that reorganize Article V, and add and delete fees to recover costs related to the use of County parks. While Laguna Seca Recreation Area, Lake Nacimiento, and Lake San Antonio are currently managed under management agreements with third parties, the fees associated with their operations have been incorporated in the proposed amended Article V.

The amended Article V more closely reflects, while still not exceeding, the actual and reasonable costs of services and benefits provided to the public. Staff has provided information specific to each amendment that can be found in Attachment A.

RMA-Parks consists of two separate operating units: Park Operations, Fund 001-Unit 8475, includes the County day use Park facilities, such as Toro Park, Manzanita, Royal Oaks, Jacks Peak, as well as San Lorenzo Park. Lake Operations, Fund 452-Unit 8477, is an enterprise fund and includes Lake Nacimiento and Lake San Antonio.

The FY 2017-18 Modified Budget for Parks Operations reflected \$3,764,235 in appropriations, which included the increase of \$268,478 in appropriations approved on June 26, 2018 by the Board of Supervisors, as well as an adjustment for COWCAP of \$325,822. The recent need to increase appropriations in Park Operations in addition to the COWCAP, was attributed to an increase in building, equipment, and vehicle maintenance resulting from the accumulation of deferred maintenance, as well as damage sustained from winter storms and drought. The FY 2017-18 revenue projection for Park Operations was \$961,977 versus the modified adopted budget of \$1,266,455 leaving the need for the County General Fund contributions of \$2,802,258 to balance the budget. Staff is recommending modifications to Article V to assist in offsetting the increases in costs of services. The significant change recommended to Article V for the Day Use Parks is the frequency of charging patrons that visit the County Day Use Parks. Currently there is no daily entry fee for individuals entering the Parks when not in a vehicle, except on Holidays or during Special Events. Changing the current Article V to create a daily entry fee anytime the Day Use Parks are open to the public will assist to increase revenues that will be used within the Day Use Parks to offset the costs of operations and maintenance. Based on the daily entry counts that have been taken at Toro Park alone, staff anticipates an increase in receipts of at least \$300,000 annually. To accommodate patrons that frequently visit County Parks, staff is recommending Park specific annual passes at half the cost of the current annual Parks pass. Currently annual Park passes are valid at all County Parks, except for Lake Nacimiento.

The FY 2018-19 Adopted Budget for Park Operations was developed using the expenditure trends for maintenance as experienced in FY 2017-18, as well as incorporating increased costs for salaries and benefits resulting in an appropriations budget of \$3,779,134. In anticipation of staff bringing forward the Article V update, staff included an assumption to increase budgeted revenues to \$1,269,283 or \$307,306 above projected FY 2017-18 revenues of \$961,977 in order to maintain FY 2017-18 levels of service. By incorporating an increase in fees generated by changes to Article V, the general fund contributions needed to balance the Parks Operations in FY 2018-19 is expected to decrease and for FY 2018-19 is slightly lower than the prior year at \$2,509,851. Staff is confident that the fee article update will reduce the need on the general fund contribution for Park Operations, however, will not generate sufficient revenues to fully cover the operation and maintenance costs for the Day Use Parks and that there will still need to be a significant contribution from the general fund to balance the budget in the future.

There are no significant changes to the fees currently being charged at the Lakes Operations. Staff is proposing adding a new rate for Hikers/Bikers (non-motorized), as well as an increase of \$3 to existing camping rates. The change in the camping rates will align with the camping rates as San Lorenzo Park. The Article V update for the Lakes Operations has been expanded to include the rental rates for the Lodges and Boating.

While it would have been desirable to possess specific counts associated with each line item within the Fee Article, this information was not available. Where available staff conducted a comparison and there were not substantial increases that demonstrated fees would fully cover operating and maintenance costs for the County Park Facilities.

To further ensure the proposed fees are reasonable, staff also compiled a comparative analysis of fees established in comparable jurisdictions. These jurisdictions included Santa Clara County, Santa Cruz County,

San Luis Obispo County, the City of Monterey, Point Lobos State Park, Salinas County Fairgrounds in King City, private RV parks, Shasta-Trinity State Park, and the City of Hollister. While none of the jurisdictions were able to provide comparable data for every line item in Article V, staff was able to gather three to four comparable data points for most line items from across all of these jurisdictions.

Parks fees are authorized by state law pursuant to Government Code section 50402. By definition, the changes to these fees are not a “tax” and are exempt from voter approval pursuant to Article XIII C, section 1(e), subpars. (1)-(5) of the California Constitution (Proposition 26, excepting certain fees and charges from the definition of “tax”). As such, they reflect no more than the actual cost of the service/benefit received by the payor.

Staff requests the Board of Supervisors adopt the attached resolution to amend and establish new fees in Article V of the Monterey County Fee Resolution in order to recover costs related to the use of County parks. Fee amendments become effective 30 days after adoption.

OTHER AGENCY INVOLVEMENT:

RMA-Parks worked with the Office of County Counsel and the Office of the County Administrative Office. On June 7, 2018, the Parks Commission supported the updates to Article V and recommended staff present the fee updates to the Board of Supervisors. County Counsel has reviewed, and approved as to legal form, the proposed amendment to Article V of the Monterey County Master Fee Resolution.

FINANCING:

Staff acknowledges that user fees are established to offset some or all the cost of services, and do not exceed actual costs for providing these services. The proposed fee adjustments will offset actual expenditures incurred associated with the proposed fees. The FY 2018-19 Adopted Budget includes anticipated revenues from the proposed fee adjustments. This action will have no negative impact on the General Fund Contributions for these services.

When necessary, RMA intends to bring a future update to the fee schedule that will reflect Board of Supervisors’ General Financial Policy number 7.4, User Fees, directing that *“all fees be reviewed as necessary and adjusted (as necessary). The full cost of providing a service is calculated to provide a basis for setting the charge or fee. Full cost incorporates direct and indirect costs, including operations and maintenance, overhead, charges for the use of capital facilities, as well as depreciation.”*

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Parks are intended to provide a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general. Parks require a certain level of financial stability to continue offering opportunities for outdoor recreation and green space, in support of healthy lifestyles and the environment. Establishing appropriate Park fees ensures that RMA can respond to customer preferences and recover costs for the use of parks infrastructure.

☐ Economic Development
☒ Administration
☒ Health & Human Services
☒ Infrastructure:
☒ Public Safety

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Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

A - Changes and Additions to Article V

B - Current Article V

C - Proposed Parks Fee Article V

D - Article V Current vs Proposed Comparison Matrix

E - Fee schedules of comparable jurisdictions

F - Current Rate Sheets for Security Guards and Portable Sanitation Facilities

G - Draft Resolution

(Attachments on file with the Clerk of the Board)

Cc list: Carl P. Holm, AICP, RMA Director; Nick Chiulos, Asst. CAO; Cam Sanchez, RMA-Parks Interim Chief; Lucila Sanchez, CAO Budget & Analysis; Kelly Donlon, Deputy County Counsel