

TOWN COUNCIL STAFF REPORT

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

Meeting Date: October 19, 2022

Prepared by: Rob Patterson, Administrative Services / Finance Director
Sierra Shultz, Deputy Airport Manager

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 Airport fees and charges for Town services for FY22-23.

BACKGROUND:

Proposition 4 was approved by the California voters in 1979 and amended Article XIII B of the California Constitution. Article XIII B 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 recovery to encourage certain activities 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.

Airport Fees

The Airport had minor revisions to the fee schedule to address ramp and overnight fees for various types of aircraft parking at the Airport. The proposed fees include increases to existing ramp facility fees and overnight parking fees that have not be increased for a long time. There are no new fee types being added to the Airport fee schedule at this time; and the number of gallons to waive a ramp facility fee have not changed. The intent is to keep up with standard industry rates which have increased over the years due to inflation, higher gas prices, and the fact that these rates have not been increased for many years. See below for a summary of updates:

- TBM Turbo Prop less than 70 gallons – Overnight Parking Fee increasing by \$10 to \$55 per night.
- TBM Turbo Prop more than 70 gallons – Overnight Parking Fee increasing by \$10 to \$55 per night.
- Single Engine Turbo Prop less than 70 gallons (Pilatus) – Ramp Facility Fee increasing by \$70 to \$295 item.
- Single Engine Turbo Prop less than 70 gallons (Pilatus) – Overnight Parking Fee increasing by \$15 to \$80 per night.
- Single Engine Turbo Prop more than 70 gallons – Overnight Parking Fee increasing by \$15 to \$80 per night.
- Twin Engine Turbo Prop (Up to King Air 350), less than 100 gallons – Ramp Facility Fee increasing by \$80 to \$375 item.
- Twin Engine Turbo Prop (Up to King Air 350), less than 100 gallons – Overnight Parking Fee increasing by \$35 to \$100 per night.
- Twin Engine Turbo Prop (Up to King Air 350), more than 100 gallons – Overnight Parking Fee increasing by \$35 to \$100 per night.
- Light Jet less than 150 gallons – Ramp Facility Fee increasing by \$100 to \$450 item.

- Light Jet less than 150 gallons – Overnight Parking Fee increasing by \$25 to \$125 per night.
- Light Jet more than 150 gallons – Overnight Parking Fee increasing by \$25 to \$125 per night.
- Medium Jet less than 200 gallons – Ramp Facility Fee increasing by \$125 to \$550 item.
- Medium Jet less than 200 gallons – Overnight Parking Fee increasing by \$50 to \$250 per night.
- Medium Jet more than 200 gallons – Overnight Parking Fee increasing by \$50 to \$250 per night.
- Heavy Jet less than 300 gallons – Ramp Facility Fee increasing by \$170 to \$850 item.
- Heavy Jet less than 300 gallons – Overnight Parking Fee increasing by \$75 to \$375 per night.
- Heavy Jet more than 300 gallons – Overnight Parking Fee increasing by \$75 to \$375 per night.
- Ambulance less than 35 gallons – Ramp Facility Fee increasing by \$10 to \$45 item.
- Ambulance less than 35 gallons – Overnight Parking Fee increasing by \$10 to \$45 per night.
- Ambulance more than 35 gallons – Overnight Parking Fee increasing by \$10 to \$45 per night.
- Light Single less than 15 gallons – Ramp Facility Fee increasing by \$5 to \$20 item.
- Light Single less than 15 gallons – Overnight Parking Fee increasing by \$5 to \$20 per night.
- Heavy Single less than 25 gallons – Ramp Facility Fee increasing by \$5 to \$30 item.
- Heavy Single less than 25 gallons – Overnight Parking Fee increasing by \$5 to \$30 per night.
- Light Twin less than 35 gallons – Ramp Facility Fee increasing by \$10 to \$45 item.
- Light Twin less than 35 gallons – Overnight Parking Fee increasing by \$10 to \$45 per night.
- Heavy Twin less than 45 gallons – Ramp Facility Fee increasing by \$10 to \$55 item.
- Heavy Twin less than 45 gallons – Overnight Parking Fee increasing by \$10 to \$55 per night.

ANALYSIS:

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

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 other funds to support 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.