

RESOLUTION NO. 36-17

A RESOLUTION ADOPTING FEES AND CHARGES FOR FALSE ALARMS, GOLF CART LICENSE FEES, AND GRAVE SPACE FEES

Recitals:

As required by Municipal Code, City of Grand Junction establishes charges and fees by this resolution.

Now, therefore, be it resolved that:

Effective January 1, 2018 fees for false alarms and golf cart license fees according to the following schedule:

Police Department				
Description	2017 Current	2018 Proposed	Change	Notes
False Alarms (System Activated)	\$15	\$100	+\$85	Commercial- 2 Free per Year Residential-4 Free per Year
Golf Cart License Fee	\$10	0	-\$10	


Parks and Recreation Department				
Description	2017 Current	2018 Proposed	Change	Notes
Child Grave Space	\$541	\$563	+\$22	
Infant Grave Space	\$454	\$450	-\$4	

PASSED and ADOPTED this 19<sup>th</sup> day of July, 2017.

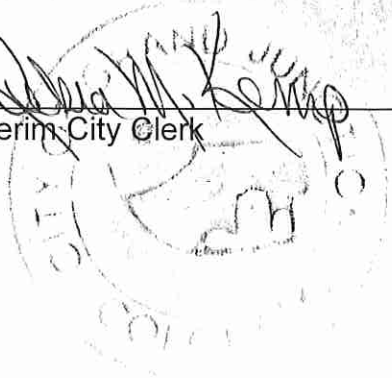


President of the Council

Attest:



Interim City Clerk





## City of Grand Junction Fees and Charges Philosophies July 2017

### **Police Department Philosophy**

The philosophical basis that supports how fees are established at the Police Department is depicted by a pyramid. The base of GJPD's pyramid consists of the core public safety services provided to the community. This includes Patrol teams, Investigations, and the Communications Center. In addition, this layer includes the Bomb Squad that covers Eastern Utah and Western Colorado, and the SWAT team. These services are considered the minimum requirements to ensure the safety of our community. Also included in the base level of service funded by tax dollars are "Additional Citizen Services". These include services such as Community Relations Unit, School Resource Officers, Records and Victim Advocacy Program, just to mention a few. These functions provide customer service to the community, support and enhance core services. The other level of GJPD's pyramid is made up of customized services provided to the public, such as background checks, bicycle registrations and VIN inspections, etc. For services that fall under the Colorado Open Records Act, GJPD follows the same fee structure as the City Clerk's office, which are based on legal limits. Other fees are charged in order to recover costs such as VIN inspections and copies of CDs and DVDs.

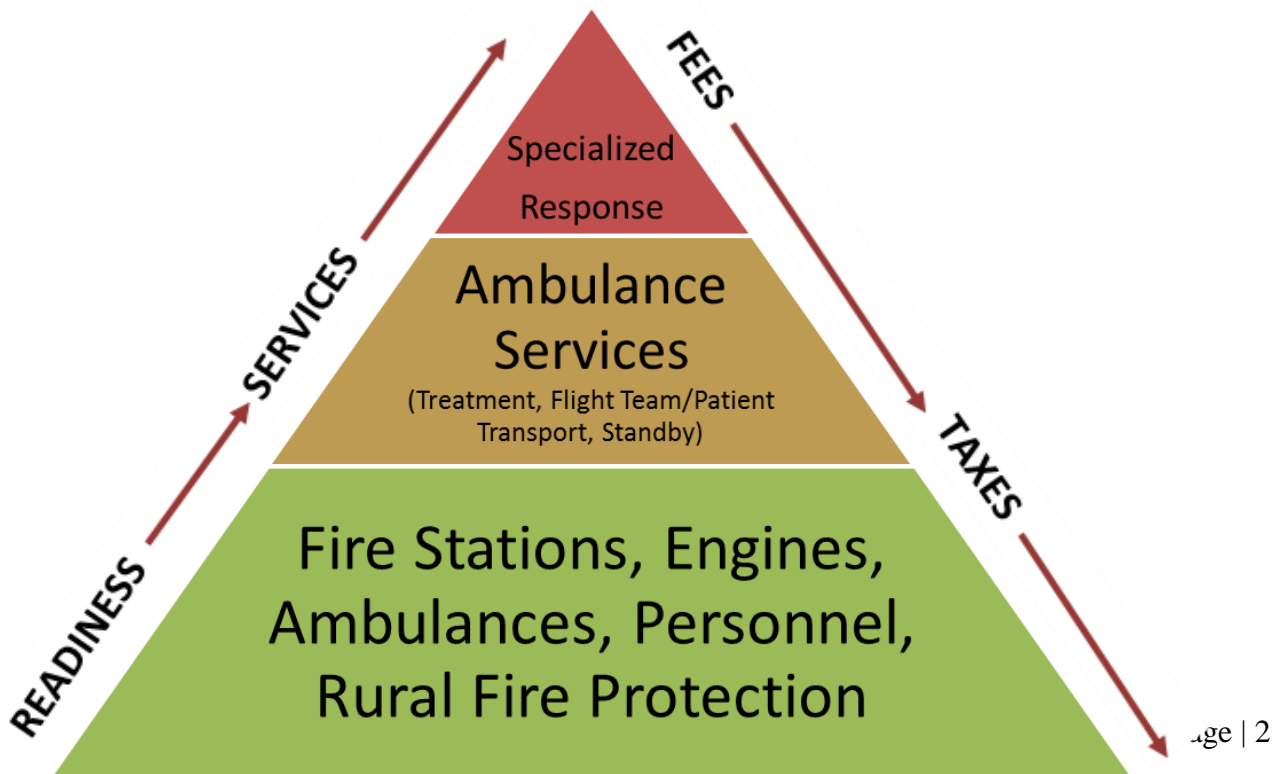


**Changes for 2018:**

- False Alarms- Over a four-year period GJPD responded to 9,314 mechanically activated intrusion alarms of which 20 proved to be valid, a more than 99% error rate. It is estimated that less than 5-10% are from residences. Currently the false alarm fee for is \$15 per incident allowing four free false alarms per year. This fee has not been increased for many years and it is our recommendation that it be increased to \$100 per incident allowing two free false alarms per year for commercial buildings and four free false alarms per year for residences.
- Fee Change – There is a voluntary Golf Cart License fee that is \$10 for three years. In 2016, we collected \$20. This fee is recommended to be eliminated.
- Fee Change – Currently we do not charge Registered Sex Offenders to pay for their annual registration requirement. However, the Mesa County Sheriff’s Office is instituting a fee beginning sometime this fall. The fee is the maximum allowed by the State: \$75 for initial and \$25 for reregistration. It is our belief that we need to maintain consistency with this fee structure. If the County is charging and the City is not, it has the potential to force sex offenders into the City limits.

**Fire Department Philosophy**

Industry wide, fire department funding has primarily been through property tax dollars however the City’s property tax generates about half of the funding of the department. Also as the department began to provide more diverse services they began to charge fees for these services. As the various fee types have increased, it is important to reflect on what is provided through taxes vs through fees. As budgets have grown tighter and new tax or increased taxes have become scarcer, the fire department has begun looking at taxes covering the cost of “readiness”, i.e. fire stations, personnel, apparatus and equipment needed to respond to the incident. Fees are then considered to cover the actual service or response. The Grand Junction Fire Department applies this philosophy as depicted below.



**Fees:**

The Grand Junction Fire Department charges three main types of fees - ambulance service and transport, response cost recovery and fire prevention services.

Ambulance fees consist of ambulance transportation fees paid by Medicare, Medicaid, health insurance and private pay. Because of contractual write-offs and bad debt, the amount the City actually receives is usually less than what is billed for the transport. The fees are set annually by the Mesa County Commissioners through a formula that is based on healthcare CPI and range from \$777 - \$1,155 per transport.

In addition, the department charges for medical standby services at special and sporting events, patient treatment and release and patient, flight team transportation and a loaded mileage fee to offset vehicle costs. Medical standby fees are paid for by the event or sponsoring organization and are based on an hourly charge for the personnel and vehicle. The patient treatment and release fee is charged to patients where we provide treatment on scene but the patient doesn't need transported or refuses transport. The fee is to cover medical treatment and supplies or medications that the patient has received.

The department charges cost recovery fees for hazardous material incidents and wildland fire response. These incidents are time intensive and the charges are based on the actual cost of personnel, vehicle expenses and expendable supplies. Vehicle costs are based on standard rates provided by the Colorado Division of Fire Prevention and Control and personnel and supply costs are actual. The department considered a number of other incident types for cost recovery, primarily based on time intensive incidents or those that are human caused. A request for information through the Colorado State Fire Chiefs resulted in nine fire departments stating that they charge for response to motor vehicle accidents, including services for patient extrication, traffic control and scene clean up. In addition, the department's third party billing firm stated that they bill this type of cost recovery fee for 33 other departments

The department charges a number of fire prevention fees that are primarily paid by developers, architectural and design firms and construction and fire safety contractors. The fees are to help off-set the cost of providing fire prevention services, including construction plan review, code compliance and inspection. Fee increases and introduction of new fees are based on an industry survey of other fire departments providing these services including; Montrose, Longmont, Loveland, Durango and South Metro. Many of these fees were increased in 2016 so the department is recommending that roughly half of the fire prevention fees receive an incremental increase for 2018.

**Changes for 2018:**

Standby services, flight team transportation, patient treat and release, and mileage were last increase 2016 so the department is recommending an incremental 5% increase for 2018.

New Cost Recovery Fees:

Traffic Accident Response Fee \$255 per accident – Charged for fire engine response and services at a motor vehicle accident. Fee is based on cost recovery of personnel and vehicle expenses.

Brush Fire Response Fee \$530 per hour (1-hour minimum) - Charged for response to brush fire that is caused by violation of the outdoor burning ordinance, including burning without a permit. Fee is based on cost recovery for personnel and vehicle expenses.

New Fire Prevention Fees:

Underground Fire Line \$200 Previously this fee was charged through the Mesa County Building Department but this request would provide an individual permit through the fire department.

Indoor Pyrotechnics \$200 Indoor pyrotechnic displays require a higher degree of review than a typical fireworks display. This fee would cover the cost of that review and inspections.

Carbon Dioxide (CO2) Permit \$50 This fee would be charged to restaurants that have converted to large CO2 vessels for carbonated beverages. The larger vessels have a higher danger of asphyxiation and require a detector to alert for low levels of O2.

Hazardous Materials Permit Fee \$300 (annual) This permit fee is charged to facilities that store or use large quantities of hazardous materials and are required to report to local and state agencies. The fee would be tied to an annual inspection to confirm completion and accuracy of required reporting; and to control the handling, storage, manufacture, processing, packaging, use, and disposal of hazardous materials to prevent an unreasonable risk to the health and safety of emergency response personnel, the public and the environment. Information gained from the inspections would directly tie to the department's mapping and pre-planning program to assist emergency responders identify special areas or hazards in case of an emergency response to the facility.

There are approximately 50+ of these facilities in the fire department response area. The fee would be tied to an annual inspection to confirm completion of required reporting accurately as well as follow up re-inspections to assist the business in achieving compliance. On average to conduct a proper hazardous materials inspection requires 1-3 hours depending on the size of the facility. Multiple occupancy facilities could take more than a day to complete the inspections. The recommended fee is \$300 per permit and an additional \$50 charged for each additional building for the same business.

## **Parks & Recreation**

### **History:**

The City of Grand Junction has been a regional provider of parks and recreation services since its inception. Until 2007, the department charged a 20% higher fee to non-residents for participation in recreation programs and facilities. The elimination of the non-resident fee in 2007 allowed the department to provide better customer service while maintaining its presence as a regional hub. The department is also unique because of its relationships with the local school district, university, and partner organizations. Recognizing the impact of fees on these organizations, the department works closely with each of them to determine fair and equitable fee structures for programs and facilities. Fees and charges are also reviewed annually by the Parks and Recreation Advisory Board and multiple levels of staff. The reviews and comparisons conducted for facilities and programs are primarily localized to the Grand Valley or the Western Slope; however, due to the uniqueness of some facilities, comparison with Front Range communities is required to better evaluate price and structure. For the programs that may compete with private business, the fee structure is determined based on what would be generally acceptable as opposed to competitive.

### **Philosophy:**

The Parks & Recreation Department's philosophy for setting fees is based on a Cost Recovery Pyramid model. The base level of the pyramid represents a majority of the Department. A majority of the programs and services offered in the base level are primarily subsidized by tax dollars. As progression is made up the pyramid, the level of subsidy decreases as the programs and services move from a community benefit to a higher individual benefit and the fees charged for the services and programs cover a larger portion of the cost. This foundation and upward progression is intended to represent the Department's core mission, while also representing a reflection of the diversity of programs and services the City offers.

### **Cost Recovery Pyramid:**

#### **Community Benefit: 0-35% cost recovery**

At the base of the pyramid are programs that benefit the entire community, not individuals. Examples are access to parks, trails, community events, cultural arts, weed abatement, and special events. This also include the operation of the decades old agreement to operate the Senior Recreation Center. These programs or facilities have minimal or no fees.

#### **Community/Individual Benefit: 36-75% cost recovery**

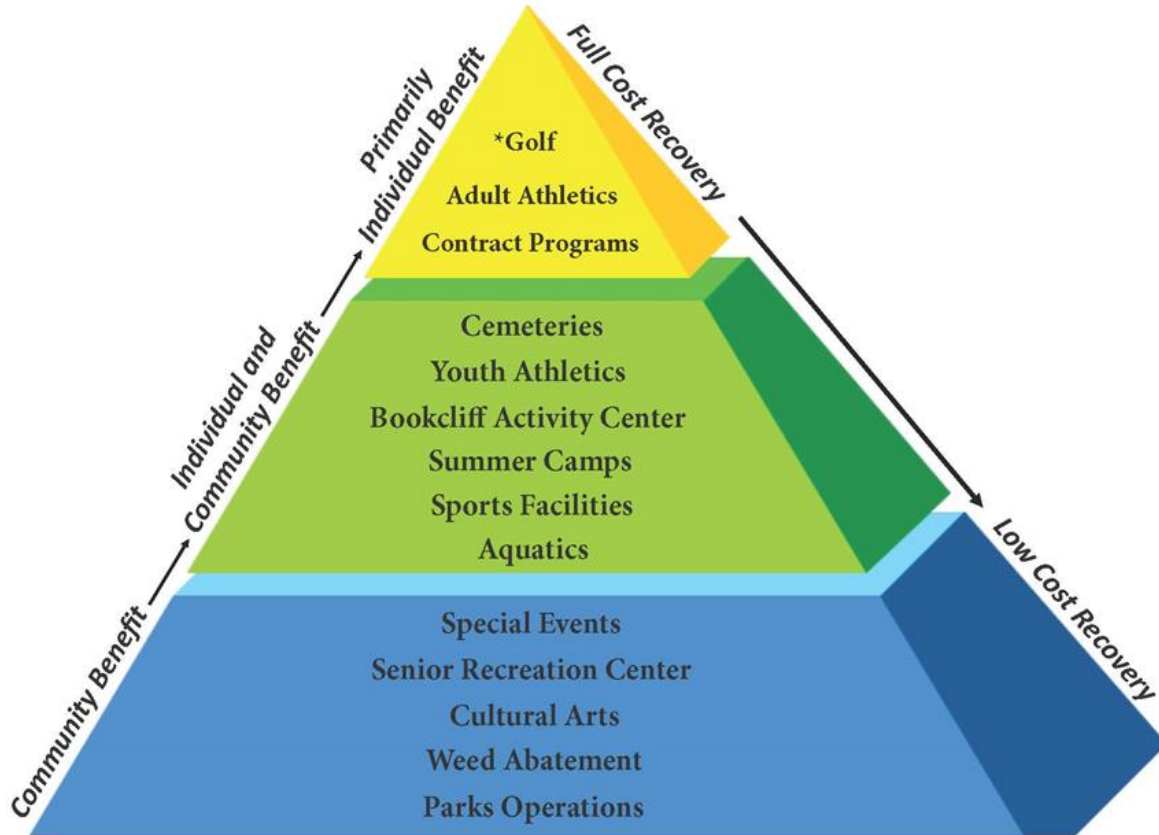
The middle level of the pyramid contains programs and services that benefit mainly the community but also individuals. These programs and services promote health and wellness activities and opportunities as well. Examples are aquatics, sports facilities, summer camps, Bookcliff Activity Center, cemeteries, and youth athletics.

#### **Primarily Individual Benefit: 76-100% cost recovery**

The highest level of the pyramid contains programs and service that benefit specific groups or individuals and include adult athletics, special interest programs, contract programs, and the golf courses, which are considered enterprise funds.

# Cost Recovery Philosophy

*Parks, Recreation, and Golf*



\* Enterprise Fund

## Changes for 2018:

Several changes were made to the 2018 fee structure including the addition of an administrative fee category. This category is primarily items that are pass-through costs such as security or traffic control, costs that are a percentage of an already established fee, and direct costs such as lost keys. Two minor adjustments were made to child and infant grave space fees to coincide with current adult rates. New fees include the hourly rental fee for the Amphitheater and a fee for additional marketing use of the Lincoln Park marquee. Increased fees include the elimination of the non-prime fee for shelters, increased hourly fees at the Barn and the Hospitality Suite, the hourly fee for Stocker Stadium, and season tickets, green fees and golf cart fees at the golf courses.

## Community Development Department

### History:

The Community Development Department collects a variety of fees for the development review services that it provides. Fees are collected by application, clearance or permit type as well as specific fees for engineering inspection. Most fees have not been updated since

approximately 2000 in concert with a significant land use code revision with the exception of engineering inspection fees that were last revised in 2008. The Department's review of development projects focuses on projects that adhere to adopted development standards and ranges from highly technical review of such items as drainage and floodplains to other standards related to site design items such as landscaping, circulation and parking.

**Philosophy:**

The Community Development Department is sensitive to the local economy and the impact fees can have on development activity. The Department's philosophy is to set fees that are balanced in comparison to other entities in the region and to offset some, but not all development-related review costs.

**Changes for 2018:**

Staff is recommending the elimination of several fees that only require a brief consultation and have a minimal impact on workload. Some examples of recommended eliminations are fees for demolition permits, interior remodels, change of use, and home occupation permits.

Because it has been over 15 years since the latest increase in planning fees, they have fallen behind comparable fees in the area. In order to begin working towards the comparable rates, staff recommends a 10% increase in fees.

Major Site Plan reviews generally take a significant amount of time for a project review and the complexity of the reviews are generally scalable to the square footage of the project being proposed. In an attempt to create some parity with the cost of projects that are equally complex (or simple), staff recommends looking at a tiered approach to Site Plan Review fee based on square footage of the proposed project.

Single Family planning clearances regularly require approximately a half hour of time from a planning technician or planner. Staff believes the proposed fee adjustment better aligns with the level of review required to process a clearance.

In addition to Application and Clearance fees, development projects are asked to pay Engineer Inspection Fees (if applicable), the cost of their required mailings, the cost of their required public notice signage as well as impact fees. Engineer inspections fees were last updated in 2008 and are proposed to see a similar increase of 10%. For projects that require the submittal of specific plans, including Grading and Drainage, drainage reports, utilities composite, traffic impact study and off-site improvement plans, fees are charged to review these specific plans. These fees were historically collected to off-set the additional city engineering review time of these technical documents. Staff has proposed an approximate 10% increase to these fees, but would also has identified there may be an opportunity to simplify this approach to collecting fees.



### **Municipal Court Philosophy**

Municipal Court's fees and charges are set based on a combination of cost recovery, comparison to other jurisdictions, and accumulation of funds to provide assistance to financially challenged defendants in the court system.

### **Changes for 2018:**

Municipal Court fees for court costs and deferred judgements were increase by 30% in 2016, and the trial costs were increase by 10% in 2016. Municipal Court has not previously charged for payment plans, and recommends a \$25 fee to recoup the administrative costs of tracking a case from start to finish.

Municipal Court is recommending the adoption of two new surcharges earmarked for use in the operation of the Municipal Court for the following; assisting the Court in distinguishing between those defendants that truly cannot comply with orders of the Court and those choose not to do so; and to provide defendants who do not qualify for court appointed counsel under current guidelines, legal direction which would aid the Judge in resolving the case.

### **City Clerk Philosophy**

The City Clerk's Office has a limited number of fees that are charged to citizens. There are Open Records Request Fees, Liquor License Fees, Liquor Occupation Tax Fees, and Auditorium Use Fees. The philosophy supporting most of these fees is a combination of law and cost recovery.

### **Changes for 2018:**

The City Clerk's Office is responsible for responding to requests for information under the Colorado Open Records Act. By law, certain fees and charges can be assessed for the research, collection, compiling, redacting, and copying of such records for the requestor. Currently the City is not charging the maximum allowed by State Law. The proposal is to charge the amount allowed and include a provision for the regular adjustment of the fee. By law, the first hour of research and collection is free.

There are no proposed changes to liquor license fees and liquor occupational tax fees, because the liquor license fee is set by State law and although the liquor occupational tax for the City is one of the lowest in the State it would require a vote to increase.

The City Hall Auditorium is available for use by the public Monday through Saturday 7:30 a.m. 10:00 p.m. If the use is on a weekend, or if the users need the audio visual (AV) equipment after regular business hours there are fees assessed unless it is a bona fide government agency. We are currently charging \$20 per hour for using the room on the weekends and an additional \$20 per hour if using the equipment after business hours. It is recommended to increase the fees to \$30 per hour in order to recover costs.

If the user group is a for-profit entity, there are additional charges. Another exception is if a group begins using the room more than twice per month.

## **Two Rivers Convention Center and Avalon Theater-Pinnacle Venue Services**

The following has been provided by Maria Rainsdon, General Manager

### **Booking and Rental of The Avalon Theatre and Two Rivers Convention Center:**

With the overarching philosophy of yield management, we aim to:

- Sell the Right Product
- Sell it to the right person
- For the right price
- At the right time

#### **Yield Management: How it achieves these goals**

Yield management, also known as revenue management, seeks to maximize total profit by manipulating price and inventory availability for future bookings. Yield management orients room rental rates and other sources of revenue to demand. It is a marginal analysis of supply and demand with respect to price and inventory factors. The goal of yield management is to maximize revenues during the high traffic periods and maximize traffic during low revenue periods. It is a model based on facility history, where previous bookings are used to generate a revenue forecast, which when compared over time with actual revenues can be refined or enhanced through various pricing strategies.

#### 1. Benefits of yield management

Using this model provides much greater flexibility in rate structures, which translates into booking the right business. Because we are not simply raising static rates across the board but varying the rates in either direction, we are able to maximize revenues and the amount of business booked especially during off peak periods. Managing the yield (value) within a finite amount of space by focusing on filling slower time periods and capitalizing on peak periods produces what we call the win/win scenario.

This drives business to non-peak time periods; to lower demand space and drives higher revenues to peak periods for high demand (most popular) space.

#### 2. How it works

Rental rates are transferred into a range of values for each space. The range represents non-peak to peak values.

#### **Examples** as they might apply in Grand Junction:

- In January 2017 we have two potential clients requesting rates. One is a consumer show organizer interested in a single April 2018 Saturday date; they would pay a greater rate for the space due to the prime date and the length of time they are holding the space. The second is a concert promoter interested in an August 2017 Tuesday date. The concert promoter may receive a lower rate for the same space because both Tuesday and August dates are low yield at our venue. The shorter booking window

also contributes to the lower rate because there is less of a chance a better piece of business would also be interested in that date.

- Another example, a wedding booking on a Saturday night in prime wedding season might be asked to pay a higher rental rate and food minimum than a wedding the same week that takes place on a Sunday or Monday night. The range of rates helps accommodate budgets as well as fill our space on dates that are typically less in-demand.

Rental values within the yield management analysis are only one piece of the evaluation process. To gain a true picture of the financial impact of an event, the revenues from all sources, such as food and beverage or audio-visual support, are pooled and analyzed as a sum total. These projected revenues are then compared to past performance or the building history during that same time periods. This forecasting is essential. The event management software (Ungerboeck EBMS) is essential for tracking histories of rates and event profit, allowing for accurate forecasting of rate and facility use.

Historically, convention center pricing structures have been based on a “one rate for all” concept to limit any perceived favoritism or discrimination. This practice, closely followed by a passive sales effort, has been the primary reason for convention centers performing so poorly from a financial standpoint and limiting their effectiveness as a catalyst for the community. Given our ballroom may have a different value on a Monday night versus a Saturday night or the Creek Rooms may be more expensive in April than it is in July, we have developed the following practices and procedures to eliminate all reasonable exposure:

- Redefine booking policy as a booking guideline
- Include in the booking guideline the evaluation factors discussed below:
  - Overall economic impact
  - Room-night generation
  - Amount of exhibition and meeting space required
  - Month of year
  - Day(s) of week
  - Time of day
  - Degree of cost sensitivity
  - Potential for repeat/referral business
  - Prestige factor
  - Attendance
  - Lead time of booking
- No quantifiable equation tied to evaluation factors, meaning rate range guidelines instead of a rate card.
- Turn down business reports to track business not booked for a variety of reasons
- Sales proposals approved by Sales and Marketing Manager/GM
- Contracts approved/signed by GMs
- Communicate yield management strategy in sales and marketing plan