

"We are a welcoming, active and business-friendly rural foothill community built on California's rich gold rush history."



City Manager's Report
February 14, 2023 City Council Meeting
Prepared by: Terry Zeller, Director of Community Services
Item #: 12.4

Subject: Adopt a resolution approving a banner reservation fee of \$200.00 for the reservation and placement of promotional banners across Main Street effective February 15, 2023.

Purpose: To increase banner reservation fee so the banner program remains self-supporting.

Strategic Plan Strategies:

Maintain/Improve Quality of Life, Item 1(c): Assess and modify programs

Economic Development, Item 2: Enhance and diversify cultural and other tourism attractions

Background: The City has a long tradition of providing an opportunity for local non-profit groups to promote their events by placing promotional banners across Main Street, from Historic City Hall to a pole on the adjacent side of Main Street. Requests are submitted and reserved through the Community Services Department. A \$150.00 banner reservation fee is currently collected at the time of the request. The reservation fee is intended to only cover the costs associated with providing the service. Currently, the entire fee goes to Eco Signs. Occasional repair of the overhead hangers is minimal and is absorbed by the Community Services Department budget.

Banners used to be hung by Park Division staff from the second-floor balcony of Historic City Hall. It was determined that the balcony was no longer safe for staff to access the pulley system. As a result of the safety issue Eco Signs, a local crane company, was hired in 2014 to hang the banners and maintain the equipment for the banner.

Discussion:

The last time the banner fee was increased was May 1, 2022 when it went from \$125.00 to \$150.00 due to Eco Signs raising their fee in order to cover their costs for hanging the banners. Eco Signs recently notified staff that they would have to raise their fee another \$50.00 this year to cover their costs due to inflation and the labor market. It should be noted that, at this rate, Eco Signs is still providing the City a deep discount, as it would cost anyone else \$365.00 to hire them for an identical service based on their business rates. They value their relationship with the City and are trying to cover their costs for fuel, labor and equipment with no profit margin.

Given the additional cost associated with employing the services of Eco Signs, the reservation fee of \$150.00 no longer covers the direct cost associated with providing the service. While staff recognizes the importance of programs remaining self-supporting and balancing revenue and expenditures within all programs, it also wants to keep the service affordable to local non-profit groups. Staff proposes increasing the banner reservation fee by \$50.00 to \$200.00, which will ensure direct costs are recovered by the City for 2023.

Options:

1. Increase banner reservation fees to \$200.00
2. Keep banner reservation fees the same and operate the banner program at a loss.
3. Direct staff to look into alternatives to hanging the banner.

Cost: The increased cost of Eco Signs fee is \$50.00 per banner.

Budget Impact: The \$50.00 increase in Eco Signs' fee was not assumed in the adopted Fiscal Year 2022/2023 General Fund Budget. However, most of the weeks are booked through the end of the Fiscal Year. Currently there are 11 banner reservations between February 15th and December that have already paid the \$150. Staff recommends the City cover the additional cost of the 12 banners already reserved. The additional cost to hang these banners is \$550. Staff anticipates this cost will be absorbed within the Department's operating budgets. The proposed \$50.00 increase in the City's banner reservation fee will help ensure the Banner Program is self-sufficient going forward.

Council Action: Adopt a resolution approving a banner reservation fee of \$200.00 for the reservation and placement of promotional banners across Main Street effective February 15, 2023.



M. Cleve Morris, City Manager



Terry Zeller, Dir. of Community Services



Dave Warren, Assistant City Manager/
Director of Finance

Attachment A - Resolution