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foothill community built on California's rich gold rush history.*



**City Manager's Report**

**March 10, 2026 City Council Meeting**

**Prepared by:** Denis Nishihara, Director of Community Services

**Item#: 11.3**

**Subject:** Consider approving an increase to the Main Street Banner Program fee from \$200.00 to \$388.00 effective May 11, 2026.

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**Recommendation:** Adopt a resolution approving an increase to the Main Street Banner Program fee from \$200.00 to \$388.00 effective May 11, 2026.

**Purpose:** To recover the projected cost of providing the Main Street Banner Program.

**Strategic Plan Strategy:** Fiscal Stability/Sustainability - Complete an update of the Master Fee Schedule and maintain it going forward.

**Background:** In 2014, the City introduced an \$80 reservation fee for Banners over Main Street to cover the costs of outsourcing the hanging and maintenance to a local installation company. Prior to this, staff conducted installations internally without charging a fee. This change was prompted by safety concerns with the pulley system on the Historic City Hall balcony, making external hiring/contracting necessary due to equipment requirements. The fee has since been increased multiple times (\$100 in 2019, \$125 in 2021, \$150 in 2022, and \$200 in 2023) to keep the program self-supporting amid rising contractor costs.

**Discussion:** Due to inflation and other variable increases such as salaries and contractor costs, the current fee does not cover the cost of providing the service, and therefore, the General Fund is subsidizing the cost of the Banner over Main Street. Staff manage the use calendar, secure reservations, coordinate schedules with the contractor, process applications, verify compliance and approve each banner.

The current fee for a banner over Main Street is \$200, which matches the amount charged by the contractor. This qualifies as a pass-through fee, wherein the City collects only the exact contractor cost and absorbs all administrative and processing expenses itself. In 2025, the contractor has indicated plans to raise its service fee to \$250. However, recognizing the City's emphasis on supporting non-profits, they have been accommodating. As a result, staff

successfully negotiated a phased timeline to gradually implement the increase and mitigate its impact.

Staff researched 16 agencies with similar banner programs and prices ranging from free (\$0) to \$550. Agency's policies are standard, focusing on agency specific programs only and non-profit community-based organizations (CBO). Certain agencies mandate the requesting organization to install and remove their own banner; other agencies absorb costs manage the install internally to control fee levels and the remainder agencies, contract installation based on the location. Attachment "A" summarizes benchmark data for street banners pertaining to programs from comparable agencies. The data captures costs, policies, and operational structures. The analysis includes 11 paid programs and 5 free or no-cost programs, with an average fee of \$295.45 among paid benchmarks. The City of Placerville's current fee of \$200 positions the City as one of the more affordable options, below the benchmark average, while emphasizing support for non-profits and local events.

However, internal cost projections for 2026 indicate a total per-banner cost of \$388 (including contractor installation at \$250 and City administrative expenses of \$138), indicating the Main Street Banner program operates at a net subsidy. With an estimated annual usage of 35.5 banners (based on 2023-2025 averages), the proposed fees are estimated to generate \$13,774 annually. Any additional revenue would offset staffing and supply costs. Staff costs are calculated at 1.5 hours per banner.

The current installation cost is \$200 per banner, and staff anticipate an increase of \$50 this year for a total of \$250. This is earmarked as a pass-through fee to cover the City's cost to pay the contractor for installation. Although there could be other mechanisms or options to install a banner on a regular basis, the cost benefit of the current process is highly efficient and cost effective.

To reach a level of full cost recovery will require a fee adjustment from \$200 to \$388, which is an increase of \$188 or 94%, which is what staff are recommending tonight.

**Options:**

1. Approve staff's recommendation
2. Direct staff to take other actions.
3. Take no action.

**Environmental:** Tonight's action is not applicable.

**Cost:** There are no costs associated with tonight's action.

**Budget Impact:** If approved, the projected additional annual revenue would be \$13,774.00

**Attachments:**

- A. Resolution
- B. Benchmark Agencies 2026



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Dave Warren, City Manager



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Denis Nishihara, Department Director

Attachment "A"

Benchmark Cities – Fee Based Programs

Agency	Type	Cost
City of Placerville	Banner Over Main Street	\$ 200.00
City of Fullerton	Permit - Overhead Street Banner	\$ 66.00
City of Hercules	Horizontal Banners	\$ 250.00
City of Ventura	Vertical Banner Flags ONLY	\$ 250.00
City of Napa	Vertical Banner	\$ 264.00
City of San Rafael	Horizontal Banner	\$ 360.00
City of San Bernardino	Permit - Overhead Street Banner	\$ 410.00
City of Napa	Horizontal Banner	\$ 500.00
City of Angels Camp	Main Street Banner (Historic District	\$ 550.00
City of Jackson	Public Works	\$ 100.00
Town of Truckee	Community Development	\$ 500.00
<b>Average Cost</b>		\$ 295.45