

**City Manager's Report****September 25, 2018, City Council Meeting****Prepared by: Steve Youel, Director of Community Services****Item #: 8.6****Subject:** Adopt a Resolution:

- 1.) Approving a \$2.00 increase in the Gold Bug Park Adult (18+) Self-Guided tour rates from \$7.00 to \$9.00 effective January 1, 2019; and
- 2.) Approving a \$1.00 increase in the Gold Bug Park Youth (Ages 3-17) Self-Guided tour rates from \$4.00 to \$5.00 effective January 1, 2019.

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**Purpose:** To recover increased personnel costs associated with the delivery of the City's Gold Bug Park and Mine Tour Program.

**Discussion:**

On January 1, 2018 California's minimum wage increased by \$0.50 to \$11.00 per hour and will increase again on January 1, 2019 by \$1.00 to \$12.00 per hour. These pay rate increases will have a financial impact on the City's Gold Bug Park and Mine Tour program.

The City's Self-Guided tour program takes place within the Gold Bug Park and Mine. Self-Guided Tours are offered year-round on weekends, and seven days a week April through October. Tours include a twenty-two minute tour of the mine with a downloadable app. If guests do not have a smart phone or are unable to download the app, the park has six smart phones that can be issued. Once participants are done with the tour, they can take advantage of a tour of the Stamp Mill and Blacksmith Shop by an attendant stationed in the Stamp Mill. The Stamp Mill and Blacksmith shop tours are included in the cost of the mine tour. The City employs part-time personnel to collect money, distribute smart phones if necessary, hand out hard-hats, and operate Hattie's Gift Shop and the Stamp Mill. The last time fees were increased on Self-Guided Tours was September 1, 2015.

The following table shows the actual number of self-guided tours over the past three years:

<b>Tours</b>	<b>7/1/17/-6/30/18</b>	<b>7/1/16-6/30/17</b>	<b>7/1/15-6/30/16</b>
Self-Guided Adults Ages 18+	9,494	9,110	9,002
Self-Guided Youths Ages 3-17	5,098	5,079	4,870
<b>Total</b>	<b>14,592</b>	<b>14,189</b>	<b>13,872</b>

In order to offset the additional expenditures, staff is recommending a \$2.00 increase to Self-Guided tours for adults (18+) and a \$1.00 increase for children (ages 3-17). The adult rate will increase from \$7.00 to \$9.00 and the children (ages 3-17) will increase from \$4.00 to \$5.00. These recommended tour rates will be effective January 1, 2019.

The following table shows the anticipated personnel costs before and after the increases in the minimum wage:

	Before Cost Increases	After Cost Increases	Total Increase
Part-Time Personnel Costs	\$94,890	\$116,728	\$21,838

### Analysis:

To establish new tour rates, staff surveyed similar venues (see Attachment A), analyzed current user data, and attempted to establish rates that would generate additional revenue without compromising attendance. Staff recognizes the importance of recreation programs remaining self-supporting. It is important to maintain a balance between revenue and expenditures within all programs. This can be accomplished through a variety of strategies including; a) increased user fees, b) increased program participation and attendance, and c) program reorganization.

The following table shows the total projected revenue increase (based on a 3 year participant average) and the proposed rate increase for Self-Guided Tours:

Tours	Projected Tours	Current Rate	Current Total	Proposed Rate	Proposed Total	Additional Revenue
Self-Guided Adults Ages 18+	9,202	\$7.00	\$64,414	\$9.00	\$82,818	\$18,404
Self-Guided Youths Ages 3-17	5,016	\$4.00	20,064	5	25,080	5,016
<b>Total Increase</b>			<b>\$84,478</b>		<b>\$107,898</b>	<b>\$23,420</b>

**Cost:** As demonstrated above, staff anticipates the \$21,838 in additional personnel costs due to the minimum wage increase will be offset by the forecasted \$23,420 in additional revenues from the proposed increase in tour rates.

**Budget Impact:** These increases were assumed in the adopted budget for the 2018-19 Fiscal Year. The proposed fee schedule is located in Attachment B. With these recommended fees in place, Gold Bug Park and Mine will likely remain self-supporting, assuming participation levels remain consistent. Staff will continue to implement strategies to increase participation and analyze the effects of the proposed fee increases.

**Recommendation:** Adopt a Resolution:

- 1.) Approving a \$2.00 increase in the Gold Bug Park Adult (18+) Self-Guided tour rates from \$7.00 to \$9.00 effective January 1, 2019; and
- 2.) Approving a \$1.00 increase in the Gold Bug Park Youth (Ages 3-17) Self-Guided tour rates from \$4.00 to \$5.00 effective January 1, 2019.



M. Cleve Morris, City Manager



Steve Youel, Director of Community Services



Dave Warren, Director of Finance

*Attachment I- Resolution*

*Attachment A - Agency Program Fee Comparison*

*Attachment B – Proposed Fee Schedule*

**ATTACHMENT A**

**AGENCY PROGRAM FEE COMPARISON  
as of August 2018**

	City of Placerville Proposed	City of Placerville Current	Kentucky Mine Sierra City, CA	Empire Mine Grass Valley, CA	Kennedy Mine Jackson, CA	Mercer Caverns Murphys, CA	Crystal Gold Mine Kellogg Idaho
<b>Mine Self-Guided Tours</b>	\$9.00 Adult \$5.00 Youth 3-17	\$7.00 Adult \$4.00 Youth 3-17	No self-guided \$7.00 Adults \$3.50 Child 7-17	\$7.00 17-Adult \$3.00 Child 6-16 \$2.00 Cottage Tour	No self-guided \$12.00 13-Adult \$6.00 6-12 years Above Ground	No self-guided \$17.00 13-Adults \$9.50 3-12 years	No self-guided \$14.00 17-Adults \$8.50 4-16 \$11.00 Seniors 65+

**ATTACHMENT B**

**City of Placerville Community Services Department**

**Proposed Fees for Self-Guided Tours  
Fees to be effective January 1, 2019**

	<b>CURRENT FEES</b>	<b>PROPOSED FEES</b>
Adults Ages 18+	\$7.00	<b>\$9.00</b>
Youths Ages 3-17	\$4.00	<b>\$5.00</b>