

TO: TOWN COUNCIL

FROM: TOWN MANAGER



RE: DEPOT RENT POLICY AND FEES

**ISSUE**

The Depot is costing the Town about \$12,000 per year and the Town is only making about \$1,890 so this is not sustainable.

**RECOMMENDATION**

Direct staff to develop a fee structure for Depot use that recovers costs.

**CEQA**

CEQA is not an issue because a policy for use of a Town facility is not a project requiring environmental review.

**MONEY**

The Town is spending about \$12,000/year and receiving about \$1,890 in rental fees. Details are described in this report.

**DISCUSSION**

Since the Depot was first occupied in 2009 it has become a favored place for other kinds of meetings, public and private, besides the monthly uses from Council, Planning Commission, and PROS Committee meetings. Over 2010 a record was developed (see attached) when it became apparent that there were more non-paying private uses occurring.

There are costs to the Depot whether it is used or not. It is a given, for obvious reasons, that certain meetings (Council, Planning Commission and PROS Committee) will be paid for by the Town's General Fund. That suggests, or makes it more imperative, that all other organizations will need to pay for their meetings unless the Council decides to specifically exclude some organizations from having to pay in which case the Town's General Fund will have to pick up that cost. The problem of non-paying users and cost of operations became clear in 2010, the first full year of operations at the Depot. It can be summed up as follows (doesn't count Town uses for Council, PC or PROSC):

- NON-PAY USES           70
- PAID USES               54

This is obviously not sustainable unless the paying users are going to be charged a sufficient amount to cover the expenses caused by the users that do not pay. However the paying users

would likely find that offensive. The other option is for the Town to pick up the costs but that too would not be appreciated by the paying users and could be construed as a gift of public funds. The Town has not charged paying users extra in order to cover the costs of the users that don't pay. The extra costs are currently absorbed by the General Fund which over the last two years has meant more money paid out of reserves. That too is not sustainable.

The current charge for the Depot use (the big room only because the office side is generally not included in a use) is \$35.00 dollars. Whether a use takes 2 hours or 10 hours it is \$35.00 dollars. One current use is paying that per month and yet using the Depot once each week. The \$35.00 dollars came about because that is what it costs for the janitorial service to clean. However, that doesn't cover such things as electricity, paper products, wear and tear etc. The following shows some local examples of meeting space rental in Loomis:

BLUE GOOSE SHED: \$400 weekdays; \$950 Saturday; \$700 Sunday

MEMORIAL HALL: \$50 meeting room and \$100 w/kitchen  
\$150 main hall and \$200 w/kitchen  
\$300 meeting room, main hall & kitchen

The cost of using the Depot can be any amount but if it isn't applied to most uses then operations will continue to run at a loss.

**DEPOT RENT BASED ON COST AND USE IN THE 2010 CALENDAR YEAR**

<b>EXPENSES</b>			
Electric		1,924	
Water		501	
Sewer		270	
Phone		1,697	
Security		780	
Building Maintenance		1,801	
Grounds Maintenance		3,360	
Overhead		1,550	
<b>TOTAL</b>		<b>11,883</b>	
<b>USE DAYS</b>			
Town Council		29	
Planning Commission		15	
PROS Committee		17	
Non- pay		70	
Paid		54	
	<b>TOTAL</b>	<b>185</b>	
<b>COST PER USE CURRENTLY IS</b>			<b>35.00</b>
<b>COST PER USE BASED ON EXPENSES SHOULD BE</b>			<b>64.23</b>
<b>(expenses divided by total uses)</b>			

The foregoing suggests that the Depot rental rate should at least double for any use that pays and that more uses need to start paying.

<b>DEPOT RENT ALLOCATED TO USE</b>				
<b>EXPENSES</b>				<b>11,883</b>
			<b>% use</b>	<b>cost allocation</b>
<b>USE DAYS</b>				
Town Council		29	16%	1,863
Planning Commission		15	8%	963
PROS Committee		17	9%	1,092
Non-paying users		70	38%	4,496
Paying users		54	29%	3,469
	<b>TOTAL</b>	<b>185</b>		<b>11,883</b>
<b>COST PER USE CURRENTLY IS</b>				<b>35.00</b>
<b>PAYING USERS PICKING UP ALL COSTS WOULD PAY</b>				<b>220.06</b>
<b>PAYING USERS PICKING UP THEIR COST + NON PAY</b>				<b>147.50</b>
<b>PAY and NON PAY USERS PICKING UP ALL COSTS</b>				<b>95.83</b>
<b>PAY and NON PAY USERS PICKING THEIR OWN COSTS</b>				<b>64.23</b>

The foregoing merely shows variations of who pays and who doesn't and the affect on rates if the goal is that some or all costs are to be recovered. Cost should at least be set to recover operating costs if not some capital expenses.

Town of Loomis Annual Depot Costs	Daily Average Cost	Monthly Average Cost	Annual Cost
Electric	5	160	1,924
Water	1	42	501
Sewer	1	23	270
Security	2	65	780
Building Maintenance	5	150	1,801
Grounds Maintenance	9	280	3,360
Phone	5	141	1,697
Overhead	4	129	1,550
	<u>33</u>	<u>990</u>	<u>11,883</u>
Total	<u>33</u>	<u>990</u>	<u>11,883</u>

## DEPOT USE IN 2010

JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
12 <sup>th</sup> TC Mtg	9 <sup>th</sup> TC Mtg	9 <sup>th</sup> TC Mtg	13 <sup>th</sup> TC Mtg	6 <sup>th</sup> TC Spec. Mtg Town Center	3 <sup>rd</sup> TC Spec. Mtg Budget	7 <sup>th</sup> TC Spec. Mtg. Down-town Plan	5 <sup>th</sup> TC Spec. Mtg Term Limits	14 <sup>th</sup> TC Mtg	12 <sup>th</sup> TC Mtg.	9 <sup>th</sup> TC Mtg	7 <sup>th</sup> TC Spec. Mtg close session on term limits
14 <sup>th</sup> TC Workshop w/Chamber Board	13 <sup>th</sup> TC Adjourned Reg. Mtg OSC 2	9 <sup>th</sup> TC Spec. Mtg. Park Consultant	20 <sup>th</sup> PC Mtg	11 <sup>th</sup> TC Mtg	8 <sup>th</sup> TC Mtg	13 <sup>th</sup> TC Mtg.	10 <sup>th</sup> TC Mtg.	23 <sup>rd</sup> TC, PC, PROSC, Workshop Park, Open Space Master Plan	19 <sup>th</sup> PC Mtg	10 <sup>th</sup> TC Workshop AB 1234 w/PC, PROSC	14 <sup>th</sup> TC Mtg
16 <sup>th</sup> TC Adjourned Reg. Mtg	13 <sup>th</sup> TC Workshop Goals	16 <sup>th</sup> PC Mtg	19 <sup>th</sup> PROSC Earth Day Mtg	18 <sup>th</sup> PC Mtg w/PROSC Park Consultant	29 <sup>th</sup> TC Spec. Mtg Budget & Downtown Pk	20 <sup>th</sup> PC Mtg	14 <sup>th</sup> TC Spec. Mtg. Term Limits	21 <sup>st</sup> PC Mtg	26 <sup>th</sup> PROSC	16 <sup>th</sup> PC Mtg	21 <sup>st</sup> PC Mtg
16 <sup>th</sup> Spec. TC Mtg. Town Center Plan	16 <sup>th</sup> PC Mtg	23 <sup>rd</sup> PROSC	27 <sup>th</sup> PROSC	25 <sup>th</sup> PROSC	15 <sup>th</sup> PC Mtg	27 <sup>th</sup> PROSC	25 <sup>th</sup> TC Workshop Caltrans I80	28 <sup>th</sup> PROSC	Station Pickers (2)	23 <sup>th</sup> PROSC	28 <sup>th</sup> PROSC
19 <sup>th</sup> PC Mtg	16 <sup>th</sup> PC Mtg w/PROSC Park Consultant	Placer Sustain	Station Pickers (2)	Station Pickers (2)	22 <sup>nd</sup> PROSC	Station Pickers (2)	26 <sup>th</sup> TC Workshop Swetzer Bus.	Station Pickers (2)	Green Ribbon Task Force	Station Pickers (2)	Station Pickers (2)
26 <sup>th</sup> PROSC	10 <sup>th</sup> PROSC Earth Day 23 <sup>rd</sup> PROSC	Mike Neal	Mike Neal (3)	Green Ribbon Task Force	Station Pickers (2)	Green Ribbon Task Force	17 <sup>th</sup> PC Mtg	Green Ribbon Task Force	Placer Sustain	Green Ribbon Task Force	Green Ribbon Task Force
		Caltrans Workshop	Placer Sustain	Placer Sustain	Green Ribbon Task Force	Horse Rescue	24 <sup>th</sup> PROSC	Placer Sustain	PCTPA Meeting	Placer Sustain	Placer Sustain (2)
	Soroptimist	Fire Depart. Testing	Earth Day Mtg (4 Mtgs)	Mike Neal (2)	Placer Sustain	Summer Concert	Station Pickers (2)	Tree Ord. Sub Committee	Tree Sub-Committee (4) Meeting	Tree Sub-Committee (4) Meeting	Tree Sub-Committee (4) Meeting
			Friends of PCAS	Del Oro Marching Band	Summer Concert	Don's Car Show (1)	Placer Sustain	Yoga Classes (4)	Eggplant Festival	Mike Neal	Yoga Classes (4)
			Jazzerdize Class (3)	Rotary Club	Mike Neal (2)	Yoga Classes (4)	Green Ribbon Task Force	High Hand Ranch Workshop	Milke Roppa Class/lecture	Yoga Classes (4)	Tea Party Patriots Mtg
					Don's Car Show (2)	McLaughlin Theatre (10)	Summer Concert	Don's Car Show (1)	Yoga Classes (4)		
					Yoga Classes (2)	Lugo's Truck Show	Tree Ord. Sub Committee	Charter School Car Show			
							Yoga Classes (4)	Mike Rappa Classes			
					Don's Car Show (1)		Don's Car Show (1)				

70 Days  
54 Days

NON-PAY USE  
PAID USE

29 Days  
15 Days  
17 Days

TOWN COUNCIL USE  
PLANNING COMMISSION USE  
PROSC USE