

RESOLUTION NO. 2023-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA SETTING THE
FIREWORKS COST RECOVERY FEE AT SIX PERCENT (6%) AND ADDING A FIREWORKS
COST RECOVERY CHARGE TO THE MASTER FEE SCHEDULE

WHEREAS, California Government Code Sections 66016 and 66018, and Marina Municipal Code (“MMC”) Chapter 3.24 allow the City of Marina (“City”) to establish fees to offset the City’s costs in processing permits, licenses, and providing other services; and

WHEREAS, the City provides certain services to its residents and those doing business within the City; and

WHEREAS, the cost of such services are appropriately charged to the recipient of those services; and

WHEREAS, the City Police Department, Fire Department, Public Works Division and Recreation Department are all impacted by the use and sale of fireworks in the City; and

WHEREAS, each Department expends staff time and resources for processing and issuing permits, inspection of fireworks stands; public education and awareness; enforcing the provisions of the MMC and the California Health and Safety Code, including costs for extra personnel, and cleanup of the City parking lots and firework trash and debris left behind; and

WHEREAS, at the regular meeting of the City Council held on March 21, 2023, Council amended the Fire Code, and staff advised Council that a Fireworks Cost Recovery charge would be brought back for inclusion into the City’s Master Fee Schedule; and

WHEREAS, the City staff has researched and analyzed the costs for such services provided and determined the appropriateness of the charges relative to the costs for the services; and

WHEREAS, setting the fireworks cost recovery at six (6%) percent of the permittee’s retail sales and adding the charge to the Master Fee Schedule will cover the costs incurred by City departments; and

WHEREAS, the City Council has provided an opportunity for public comment and input at a regularly scheduled public meeting as required by Government Code Sections 6062(a) and 66018; and

WHEREAS, the amendment to the Master Fee Schedule is not subject to the California Environmental Quality Act (“CEQA”) as it is not a “project” pursuant to Section 15378 of the CEQA Guidelines.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MARINA DOES HEREBY RESOLVE AS FOLLOWS:

1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein;
2. The Fireworks Cost Recovery fee shall be set at six (6%) percent of the permittee’s retail sales;
3. There is a reasonable relationship between the amount of the proposed fee and the estimated reasonable cost of providing the type of service for which the fee is imposed; fee does not exceed the estimated reasonable amount of providing the service for which the fee is charged;

4. The Master Fee Schedule shall be amended to add the Fireworks Cost Recovery fee in the amount of 6% of the permittee's retail sales; and
5. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 6th day of June 2023, by the following vote:

AYES: COUNCIL MEMBERS: Visscher, McCarthy, Biala, Medina Dirksen, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ATTEST:

Bruce C. Delgado, Mayor

Anita Sharp, Deputy City Clerk

May 23, 2023

Item No. **11a**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of June 6, 2023

**CITY COUNCIL OPEN A PUBLIC HEARING, TAKE TESTIMONY FROM
PUBLIC AND CONSIDER ADOPTING RESOLUTION NO. 2023-, SETTING THE
FIREWORKS COST RECOVERY FEE AT SIX PERCENT (6%) OF
PERMITTEE'S RETAIL SALES AND ADDING A FIREWORKS COST
RECOVERY CHARGE TO THE MASTER FEE SCHEDULE**

REQUEST:

It is requested that the City Council:

1. Consider setting the Fireworks Cost Recovery fee at six percent (6 %) of the permittee's retail sales; and
2. Consider adopting Resolution No. 2023-, amending and adding the Fireworks Cost Recovery charge to the Master Fee Schedule.

BACKGROUND:

California Government Code Sections 66016 and 66018, and Marina Municipal Code ("MMC") Chapter 3.24 allow the City of Marina ("City") to establish fees to offset the City's costs in processing permits, licenses, and other services. The City maintains and publishes a Master Fee Schedule that provides for the charging of such fees for various services provided by the City. The City regularly updates its Master Fee Schedule to adjust certain fees and to add new fees.

The City's Police Department, Fire Department, Public Works and the Recreation Departments are all impacted by the use and sale of fireworks within the City. Each Department utilizes resources for processing and issuing fireworks permits, inspection of stands, public education, and awareness, enforcing the provisions of the MMC and the California Health and Safety Code, along with cleaning the City parking lots from the firework trash and debris left behind each year.

At a regularly-scheduled meeting on March 21, 2023, the City Council approved Resolution No. 2023-24, ratifying a correction to MMC Title 15, pertaining to the Fire Code. At that time, staff apprised Council that a Fireworks Cost Recovery charge would be brought back for inclusion into the City's Master Fee Schedule, rather than be adopted by ordinance on an annual basis.

ANALYSIS:

Adding a fee to the Master Fee Schedule requires the City to schedule a public hearing and to provide the public with at least ten (10) days advance notice of the public hearing. The City provided notice of public hearing in accordance with Government Code 6062(a) and 66018. The public hearing notice contained the following information:

"Consider setting the Fireworks Cost Recovery fee at six percent (6 %) of the permittee's retail sales and adopting Resolution No. 2023- adding the Fireworks Cost Recovery charge to the Master Fee Schedule."

Historically, the MMC authorized a Cost Recovery charge to be levied by ordinance and was calculated annually using historical figures from the previous 3 years. The cost recovery fees imposed on permittee retail sales over the last 7 years were as follows: 2022(6%), 2021=(6.5%), 2020=(6.5%), 2019=(6%), 2018=(6.5%), 2017=(7%) and in 2016=(7%). When the Fire Code was amended in 2022, the Council authorized inclusion of the annual fee into the City's Master Fee Schedule.

The average annual fees generated from Fireworks sales vary year to year. Annual sales are dependent on several factors, such as the weather and the number of other cities who sell fireworks. While over time our costs will increase, our cost recovery revenue will also increase due to the rising retail sales price of Fireworks. As the price of Fireworks goes up, our cost recovery revenue increases.

Staff has researched and analyzed the costs for services provided and determined the appropriateness of the charges relative to the costs of services. To recover the City's cost for services, a 6% fee is appropriate. This fee does not exceed the estimated reasonable amount of cost for providing the service for which the fee is charged.

The amendment to the Master Fee Schedule is not subject to the California Environmental Quality Act ("CEQA") as it is not a "project" pursuant to Section 15378 of the CEQA Guidelines.

FISCAL IMPACT:

Imposition of a 6% fee will cover the City's costs and will not impact the General Budget.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

Doug McCoun
Fire Chief
City of Marina

REVIEWED/CONCUR:

Juan Lopez
Finance Director
City of Marina

Layne P. Long
City Manager
City of Marina