



AGENDA REPORT

City Council Meeting

TODAY'S DATE: July 17, 2025

MEETING DATE: July 30, 2025

TO: Mayor and City Council

FROM: Finance Director Sarah Lynds and City Staff

SUBJECT: Annual Review of City Fees

DESCRIPTION/BACKGROUND: On an annual basis, the City Council reviews all City Fees, not just the fees where changes are proposed. You will find included in this packet a list of all Sandpoint City Fees. The blue highlights are all changes being proposed and underline / ~~strikethrough~~ are changes to current wording.

At this time, proposed fee changes of greater than 5% and all NEW fees are:

Proposed NEW Fees:

James E. Russell Sports Center – After six months of operations and administration of a fee system that included both monthly membership fees and daily play fees, we are pivoting to flat monthly or annual memberships while eliminating the daily play fee. The proposed membership fee structure for JER going forward includes annual memberships (billed monthly) priced at \$79 per month for a general membership, \$49 for Bonner and Boundary County residents, and \$39 for City of Sandpoint residents. Monthly memberships (not requiring a full-year commitment) are proposed at \$99, \$69, and \$59 respectively. No changes are proposed to the community room rental rate (\$50 or \$25 per hour), while private court rentals by racquet or pickleball groups are being proposed at \$20 per hour and \$40 per hour for non-paddle or racquet sport users, with the higher fee justified due to the expectation that other sports groups will require staff time and effort to set-up courts for multi-sport use, and additional cleaning after courts are used, as well as the likelihood that non-racquet or paddle sport use is likely to involve more users, thus have greater impact on facility infrastructure.

Field Use Fees (War Memorial Field and the Sports Complex) – Field use fees will continue to be charged on an hourly rate for team practices, with the narrowing of the different user groups from five categories to just three: Group 1 - City-run programs, Group 2 - LPOSD and local non-profit leagues and teams, and Group 3 - for-profit groups or non-profit groups from outside of Bonner County.

New fees at Memorial Field include “Game” field use fees, which will replace the “out of area team fee” to account for the fact that all games played at the field involve a “home team” and a “guest team.” To simplify things, the “Game” field use fee is 2x the “Practice” hourly rate for all groups. For example, a local football team that practices for two hours will pay the “practice” rate of \$25 per hour for field space. The same team, when playing a game against

another team (whether it is an out-of- area visiting team or another local team) will pay \$50 per hour. The cost of game reservations can be spread across the two teams playing in a game, while practice reservations will typically be for a single team.

Another change proposed to War Memorial Field fees is the addition of flat fees for ticketed events based on the number of projected attendees. In the past the City would ask organizers of ticketed events (such as HS football games) to self-report attendance at the end of each season and remit payment based on their estimated attendance levels. Going forward we propose having organizers estimate attendance when reserving field space for ticketed events and pay in advance based on a tiered fee schedule that accounts for anywhere from 0-100 (flat fee of \$200) to 1,501 - 2,500+ tickets sold (flat fee of \$4,000). Average per-ticket fee remains at \$2 across all tiers, but by charging at the time of field reservations we expect organizers to more accurately estimate the number of attendees than the system that allowed post facto reporting.

Outdoor Sports Courts – Outdoor courts at Travers, Lakeview, and City Beach parks (tennis, pickleball, volleyball, and basketball) remain free for the general public. Private groups that wish to reserve these courts for recreation programs, camps, clinics, or other uses, will now pay between \$10 and \$15 per hour, depending on whether the request comes from a local non-profit or school group (Group 2) or a local for-profit or out of area non-profit group (Group 3). Attaching a price to our outdoor courts will provide some incentive for groups to opt for the indoor courts at JER, which charge use fees. Fees were previously charged for private use of outdoor courts but were not based on user group. Moving forward we will treat outdoor courts similar to outdoor fields when it comes to private reservations.

Shooting range – The shooting range has long charged \$7 per visit and \$50 for a season pass, although these fees have not previously been adopted in the City's fee schedule. Going forward shooting range fees will be included in the schedule. They are also increasing to \$10 and \$75, respectively (\$25 season pass for members of the Bonner County Sportsman Association, which provides volunteers to help operate the range). The moderate increase in fees has allowed the City to increase our one paid rangemaster's hourly wage to a market rate commensurate with what rangemasters at other public facilities make.

Planning – New fees in the planning department include a fee for *additional* pre-application meetings following the first meeting which is provided pro-bono. Additional meetings will now cost developers \$475.50. This will be invoiced prior to a second sit-down with the Development team before an application has been filed.

Notification fees have been broken out to distinguish between permits that require multiple rounds of public noticing. Previously, all applications that require noticing were charged a flat \$274 fee to cover the costs of postage and handling, newspaper notice fees, and labor involved to prepare and address in some cases scores of envelopes stuffed with written notices. We now propose charging applicants whose projects only require a single round of noticing a flat rate of \$300, while those requiring two or more rounds will be charged a multiple of that. For example, PUDs, which require four rounds of noticing will be charged \$1,200 (\$300 x 4).

Parking Pass and Boat Launch fees:

Following council's adoption of the Downtown Parking Management Plan in June 2025, fees were added to the schedule reflecting various parking passes that will be available to City residents, Bonner County residents, downtown business employees, downtown residents, and marina slip occupants. The plan also included boat launch fees and annual boat launch passes for Idaho licensed vessels and out-of-state vessels. Parking passes range in price from \$15 per year for a City resident parking pass allowing for between 3 and 6 hours of parking at public lots, to \$80 per month for a downtown resident pass allowing for all-day parking in public on and off-street parking stalls. Boat launch fees range from \$10-\$15 per launch and \$50-\$100 for an annual pass.

Special Event Permitting - The City requires permitting for certain special events, generally hosted by private organizations, businesses or citizens who wish to close and utilize public streets or reserve and use space in our public parks. The current fee structure for the intake and processing of a permit application is based solely on the size of the event, with no application fee charged for small events (those reported by the applicant as no more than 50 participants). As it has been observed that the time and effort to process an application for a small event frequently requires the same comprehensive review by multiple departments and similar coordination as a medium event (51-499 participants), in order to seek to reflect application cost equity across all event size categories and attempt to recoup some of the costs of processing small-event permit applications, City staff propose instituting a small event application fee of \$40.

Occasionally, an event host will request changes to their application after processing is already underway or even sometimes after the permit has been issued. Changes such as date/time of the event, the event location and other such substantive changes requiring a fresh review by departmental staff take additional time and effort beyond initial application processing. In order to attempt to recover some of these labor costs, City staff propose instituting fees for application changes, where changes that need to be made midstream during the application review process would elicit a fee equal to 25% of the application fee, minimum \$30, and changes requested after the application has been fully approved or the permit has been issued would result in a fee equal to 50% of the app fee, minimum \$60.

The current schedule reflects replacement fees for "street sign replacement", where, if traffic cones or candlesticks, A-frame signs, or barricades owned by the City are damaged or lost during the course of their event, the permittee will owe a fee to replace those items. In addition to this equipment, the City also loans "No Parking" signs to permittees, which are not currently included on the list; therefore, City staff propose adding a new fee of \$5 each to replace lost/damaged signs, which would cover the cost of the sign + a portion of shipping costs and City staff time to order replacement signs.

A refresh of the City's Special Event Permitting Policy, adopted in 2018, is currently underway. When the new proposed policy is presented to City Council, it may be accompanied by a proposal for a new special event permitting fee structure. However, at this time, for the remainder of the special event permitting fees not discussed above, staff proposes a modest increase (less than 5%) to account for this year's CPI increase.

Proposed Fee Increases Greater Than 5%:

Development Impact Fees – The Development Impact Fee study results was presented to Council at the June 25, 2025, Council meeting. A public hearing was held on July 16, 2025, and the study was adopted, with the maximum fees suggested from the study, which are included in the proposed 2025-2026 fee schedule. The updated fees are based on the City's 10-year capital improvement plans and reflect the proportional cost of growth-related infrastructure needed to maintain current service levels. The study introduces refined methodologies, including assessment of residential fees by dwelling square footage and nonresidential fees by floor area. Key growth-related costs to be funded by impact fees include \$7.4M for Parks & Recreation, \$1.4M for Pathways, \$5M for Roads, \$551K for Police, and \$908K for Fire.

The maximum supportable fees determined through the study represent a nearly across the board increase in impact fees for all types of development, including residential, retail, office, industrial, manufacturing, and warehousing. Examples of the proposed increases include a hike from \$5,441 to \$9,521 in total fees for a 1,400 square foot house, representing an increase of 75%. Notably, the new fees for residential development shift from a # of bedroom basis to a square footage basis, more closely correlating the fee paid to the size of a residential development and eliminating loopholes in the previous fee structure such as developers classifying bedrooms as “bonus rooms” or “studies” to avoid paying fees.

On the nonresidential front fees are increasing by 32% for retail development, 153% for office space, and 90% for industrial development.

To soften the impact on developers of a sudden increase in impact fees, council has proposed phasing the new fees in over three years, increasing them to 75% the maximum in FY26, 90% in 2027, and 100% in 2028.

Planning – Subdivisions or short plat applications that result in lots larger than 1 acre will see the fee increase from \$2,412 to \$3,500, a 45.11% increase, reflecting the significant amount of staff work that goes into such applications. A subdivision final plat will increase by 12% to \$1,500 from \$1,337. Until now a Planned Unit Development application has been charged \$2,412 for what is probably the most staff-time intensive service the City provides, requiring up to four public hearings at PZ and CC meetings. Going forward this fee is proposed to be increased to \$3,500 (45% increase) and be charged for both the preliminary development plan and the final development plan, increasing the potential fee for a full PUD process from \$2,412 to \$7,000.

The fee for a conditional use permit is being separated into two types of CUPs: a “minor application,” which in this case applies to food trucks, which will go from \$274 to \$300 (a 9.5% increase) and other CUPs, which require significant more staff time than food truck applications. The general CUP fee will increase from \$1,644 to \$4,000, a 143.31% increase.

Additional planning fees seeing a greater than 5% increase include the processing of a development agreement, which is increasing from \$2,412 to \$4,000 (66%), a rezone or comprehensive plan amendment, which will increase by 200% to \$4,000, a ROW vacation and Variance application, which increase by 12% to \$1,500.

Field Use Fees - Field use fees at both Memorial Field and the Sports Complex are increasing by between 2% and 15% across the board to account for the increasing costs of field maintenance and the need to set aside ample reserves at Memorial Field for the planned 15-year replacement of the artificial turf, which is expected to cost between \$1m and \$2m at the time of replacement in 2035. Other field-related fees increasing more than 5% include the fee for having city staff on site, the trash removal fee, the grandstands and field cleaning fee, the change fee for changes to field reservations, and the setup fee for bleachers (outside of normal setup) which is being increased to recover the actual costs of the labor associated with this work.

Community Hall Fees – Community Hall rental fees are being simplified to include just two categories: “non-commercial, not-for-profit use” which will be charged \$30 per hour for the entire facility, and “commercial or for-profit use” which will be charged \$60 per hour. Maximum daily charges for both groups will be \$210 and \$420, respectively. The new fee structure requires rental of the whole facility, rather than either the main room or the scout room, with the entire facility fee increasing only slightly from \$29.50 to \$30 per hour for the typical user.

Moorage – Moorage for City and Bonner County residents is increasing by the standard inflation-adjustment of <3%. Visitor moorage, meanwhile, is increasing across the board from between \$29.25 per day for a 20’ slip to \$39 per day for a 35’ slip to \$45 - \$65, representing increases of between 54% and 67%. The increases are justified to bring the cost of short-term visitor moorage more in line with market rates.

Water and User Monthly Rates - Rate increases are based on the rate study performed by FCS Group and presented at the Council meeting on February 15, 2023. This is the fourth equity change/increase from the rate study, effective September 16, 2025 (November 2025 Utility Billing to customers).

Wastewater User Monthly Rates - Rate increases are based on the rate study performed by FCS Group and presented at the Council meeting March 1, 2023. This is the fourth equity change/increase from the rate study, effective September 16, 2025 (November 2025 Utility Billing to customers).

STAFF RECOMMENDATION: Schedule a public hearing to consider proposed new fees and fee increases greater than 5%. Fees that are proposed to decrease or increase 5% or less can be approved at this time, should Council wish to do so; no public hearing needed.

ACTION: Motion to schedule a public hearing for August 20, 2025, to consider adoption of new fees and fee changes greater than 5%. [Additional motion, if Council wishes: Motion to approve the fees that have decreased or increased 5% or less, along with accompanying description changes and notes reflected in the Fee Schedule.]

WILL THERE BE ANY FINANCIAL IMPACT? Yes **HAS THIS ITEM BEEN BUDGETED?** Yes

ATTACHMENTS:

- 1) City Fee Schedule reflecting changes to existing fees and proposed new fees
- 2) Draft Notice of Public Hearing reflecting new fees and fee increases greater than 5%