

FALLEN LEAF LAKE CSD
RRM-CLM SERVICES LLC BOAT SLIP FEE INCREASE REQUEST

Proposal

RRM-CLM Services LLC is formally requesting to raise boat slip rental fees for the 2021 season. Per our current Agreement **Section 5.(l) Pricing** – *Commercial products and services offered from the District Facilities shall be priced by Contractor in its sole discretion, except that prices for weekly, monthly and seasonal mooring spaces, launching and boat wash activities will be set in accordance with the provisions of the Associates Agreement and shall be subject to approval of the Board in its discretion.*

Discussion

The current rates for slip rentals are as follows:

- Seasonal - \$1,650
- Monthly - \$850
- Weekly - \$300
- Daily - \$50

These rates have been stagnant for the last 5 years; however, the California minimum wage has increased each year since – going from \$10.00 per hour to the current \$14.00 per hour for 2021 – representing a 40% increase. Gross wages and wage related expenses (including worker's compensation insurance and payroll taxes) account for approximately 40% of our operating costs. As the minimum wage continues to rise, our operating costs significantly increase as well.

Benchmarks

The table below represents a recent market survey of comparable local facilities around the Tahoe Basin.

Facility	Seasonal Rate	Monthly Rate	Weekly Rate	Daily Rate
Tahoe City Marina	Summer - \$6,425.00			
	Winter - \$4,000.00			
Camp Rich (ball not slip)	\$3,000.00		\$450.00	\$75.00
Tahoe Keys Marina	May - Oct. \$19,656.00	\$3,276.00		
Homewood Marina	\$4,699.00			

Proposed Rates

Our proposed 2021 rates are as follows:

- Seasonal - \$2,000
- Monthly - \$1,000
- Weekly - \$600
- Daily - \$100

As you can see, our proposed fees are well below the current market rates noted in the table above. Increased gross revenues obviously equates to more concession fees paid to the District.