

User Fee Study Summary & FY 2025-26 Proposed Fees

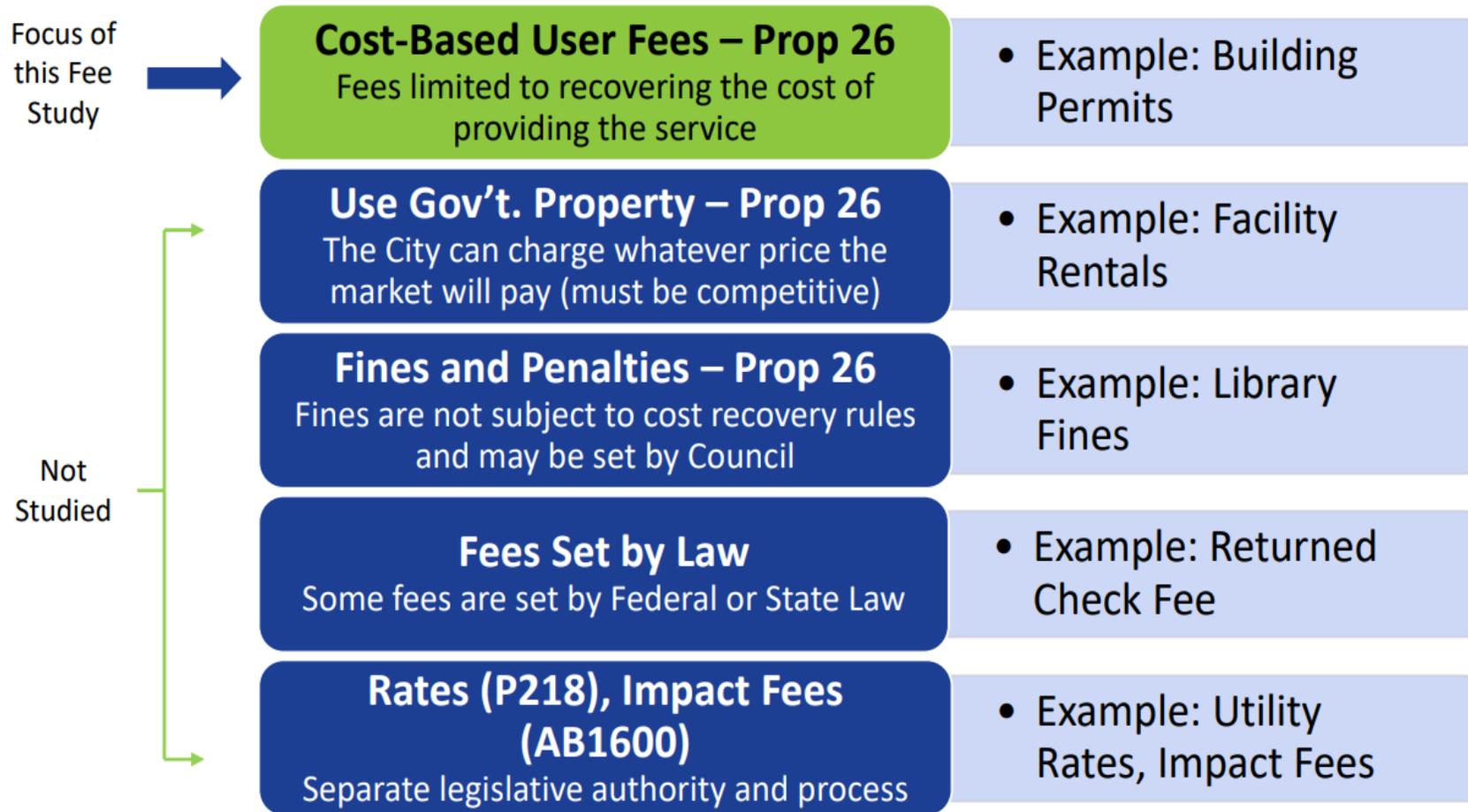


User Fee Study

- City engaged NBS to help the City study fees for service that can be reasonably analyzed on a time per activity basis
- **Project Goals:**
 - Understand full cost of providing service
 - Set municipal fees accordingly



Project Scope



Authority for Fees

- **Proposition 26**

Article XIII C § 1(e)(3) Inspections and Regulatory Permits are exempt...however are still limited to the local government's reasonable costs.

- **CA Government Code § 66014(a)**

“Those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged”



Defining Total Costs

Direct

- Salaries and benefits
- Services and supplies

Indirect

- Program, Division, Departmental and City-wide

Support

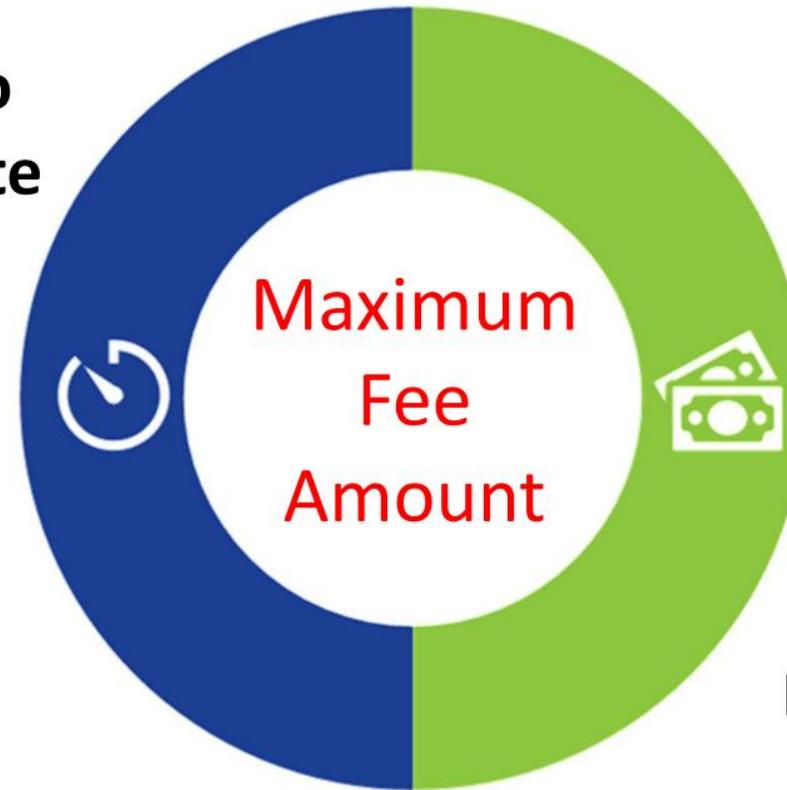
- Review required from internal departments for approval

Systems and Maintenance

- Community Planning Fee
- Technology Fee

Per Unit Cost Analysis

Time to
Complete



Fully-
Burdened
Hourly Rate
(FBHR)



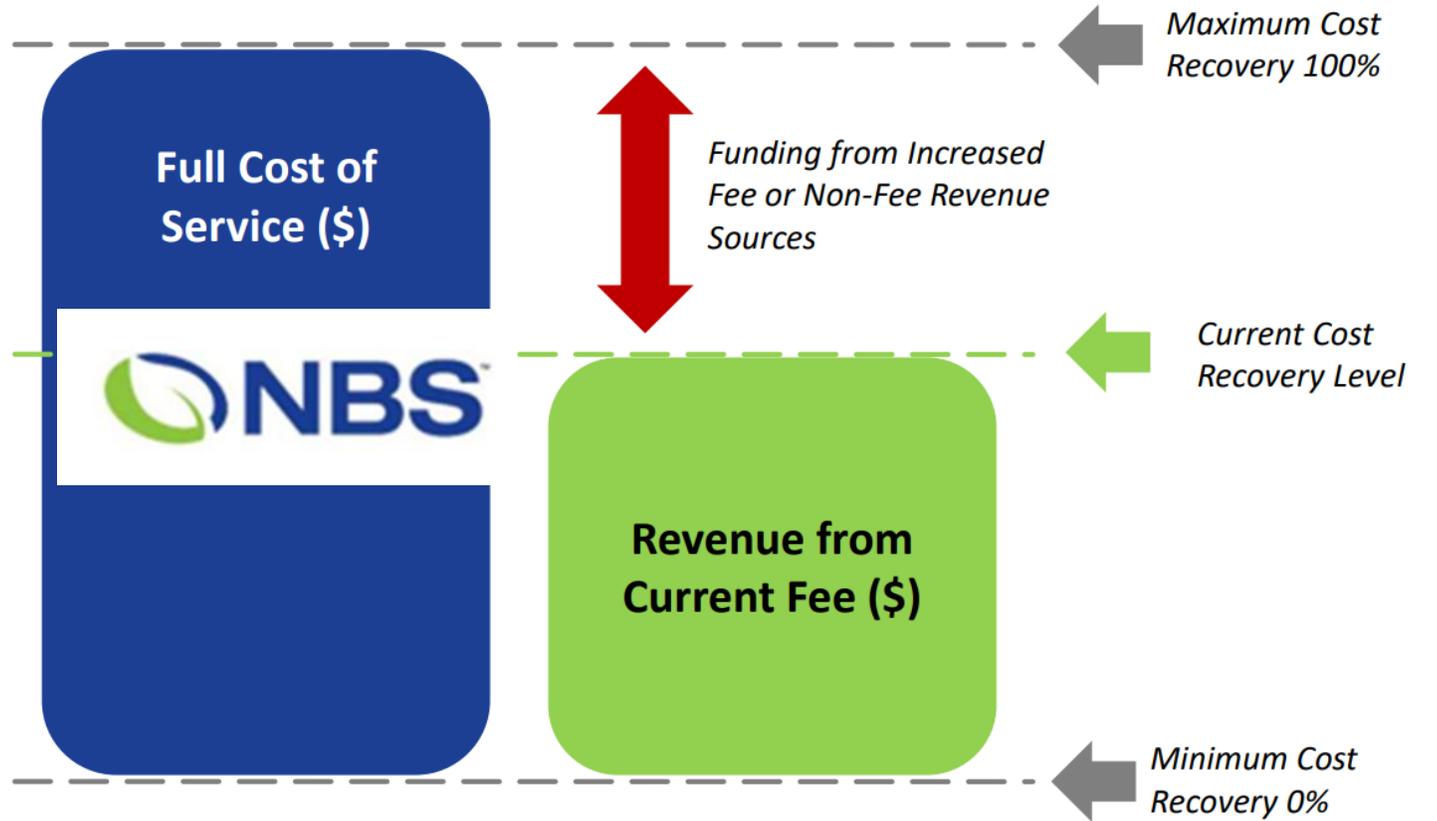
Detailed Summary of Results

Fee Category	Annual Estimated Revenues at Current Fee	Annual Estimated Revenues at Full Cost Recovery Fee	Annual Cost Recovery Surplus/ Deficit	Existing Cost Recovery Percentage	Annual Estimated Revenues at Recommended Cost Recovery Fee	Recommended Cost Recovery Percentage
City Manager Administration Division	\$ 312	\$ 381	\$ (69)	82%	\$ 381	100%
City Clerk Division*	-	-	-	n/a	-	n/a
Finance Department	9,052	45,669	(36,617)	20%	45,669	100%
Planning Division	505,045	1,275,833	(770,788)	40%	1,037,822	81%
Building and Safety Division	3,272,907	3,652,047	(379,140)	90%	3,595,586	98%
Housing Services Division	-	47,266	(47,266)	0%	42,079	89%
Fire Department	520,574	532,040	(11,466)	98%	532,040	100%
Public Works - Engineering and Transportation	285,239	1,496,943	(1,211,705)	19%	1,458,167	97%
Public Works - Maintenance	5,031	5,978	(947)	84%	5,978	100%
Public Works - Environmental Services	981,351	1,093,278	(111,927)	90%	976,720	89%
Police Department	129,580	98,965	30,615	131%	98,965	100%
Library Services Department	437	2,000	(1,563)	22%	500	25%
Recreation and Parks Department	1,506,152	5,400,944	(3,894,792)	28%	1,506,152	28%
Human Services Department	43,311	143,917	(100,606)	30%	43,311	30%
Community Planning Fee	188,574	422,090	(233,517)	45%	211,045	50%
Technology Surcharge	205,160	408,182	(203,022)	50%	408,182	100%
Total	\$ 7,258,991	\$ 13,795,263	\$ (6,536,272)	53%	\$ 9,343,373	68%

* There were no instances of activity during the time period reflected in this analysis, therefore no projected revenue impact is provided.



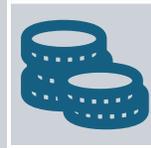
Cost Recovery/Fee Setting



FY 2025-26 Proposed Fees



Staff reviewed results of fee study and presented recommended fees to Finance Committee



Finance Committee provided input on fees to be forwarded to City Council



Staff incorporated Finance Committee feedback into the FY 2025-26 Recommended Fee Schedule

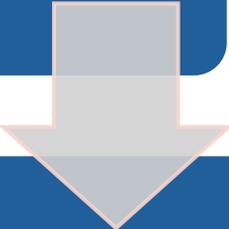


Fees related to Charges and Services, and Licenses and Permits estimated to increase General Fund revenues by \$945,000; incorporated into the FY 2025-2026 Proposed Budget

Other Taxes

Municipal codes allow for annual increases adjusted by CPI

- Business License Tax
- Emergency Medical Services Tax
- Emergency Communications System Access Tax



2.4% proposed CPI increase

Recommendation

Approve the resolution amending the Fee Schedule with proposed fees for 2025-26

Approve Three Ordinances Amending Municipal Code Sections Providing for Annual Rate Adjustments for 2025-2026:
Business License Taxes
Emergency Medical Services Tax
Emergency Communications System Access Tax