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Title: Staff Report for Resolution Approving Adjustments to City Fees and Service Charges for 2013-14

Sponsors: David Baum
Finance Director

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Attachments: 1. PowerPoint 3B&3C Public Hearing 2013 0506.pdf

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Staff Report for Resolution Approving Adjustments to City Fees and Service Charges for 2013-14

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council approve the proposed adjustments to City user fees and service charges in the Master Fee Schedule for 2013-14. This resolution is being presented to the City Council for approval as part of the 2013-14 biennial budget approval process.

BACKGROUND

The City conducts a review of all user fees and service charges as part of its annual budget preparation process. City user fees and service charges are based on a variety of criteria including comparable fee levels in surrounding cities; changes in the local Consumer Price Index (CPI); and the cost to provide the associated service. If approved and adopted by the City Council, the following proposed adjustments to the City’s user fees and service charges would be effective July 1, 2013.

The Master Fee Schedule is a compilation of City Council approved fees for special services requested by some residents in the community. Local agencies are allowed to set fees at rates that obtain fair and reasonable recovery of the costs incurred by the General Fund in providing a special service, thereby minimizing or eliminating the use of limited General Fund revenues. Historically, the City has strived to maximize cost recovery through setting fees at levels appropriate given escalating costs of doing business and market comparisons.

Full cost recovery is a policy direction by the City Council and the fee schedule that maximizes cost recovery opportunities through appropriate fee revenues is a critical component of the City’s on-going financial stability. In the 2013-14 General Fund Budget, the proposed estimated department revenues total \$5,500,000 or approximately 7% of the General Fund operating revenues. Modifications to the City’s fee schedule to remain up-to-date with escalating operating costs are

generally completed on an annual basis.

Attached to the resolution accompanying this report is the *City of San Leandro Fee Schedule* that provides detail of current fees and adjustments, as well as the addition of one new fee from the Public Works department. The proposed charges and new fee are in the right hand column and are printed in ***bold and italics***.

The following summarizes departmental changes to the fee schedule for 2013-14:

City Wide

- **AMEND:** Audio Tapes amended to Audio Recordings

City Clerk

- Appeals Fee: increase to \$534 and amend explanation to conform with fee in Community Development

Community Development

- Building Regulations - most fees are increased by the 2.7% CPI change
 - **DECREASED:** Residential Seismic Retrofit (increased in error last year, reverted back to original fee of \$75.00)
- Planning - All fees increased by the 2.7% CPI change

Engineering & Transportation

- Park facilities development impact fees increased based on shelter component of the CPI factor for San Francisco Bay Area (2.9%) or the Engineering News Record (ENR) construction cost index (2.9%)
- Overhead utility conversion increased by ENR for underground utilities factor (2.9%)
- Traffic division increases by ENR escalation factor (1.5%)
- Adjusted fee: Oversized Vehicles - Red-tipping Driveway > 10", additional \$5.50/foot charge

Finance - no change to fees, enhanced descriptions

Fire - **REMOVED:** Planning Review Fee due to non-use

Library - no change to fees

Police - no change to fees

Public Works

- Equipment Rental fees are modified based on current vehicle valuation
- Marina fees:
 - Berth rentals are increased by 2.7% as allowed by the Department of Boating and Waterways loan agreement, Article VI, section 5 (C)
 - Security live aboard permit increased from \$157.50/month to \$161.75/month
- Environmental Services:
 - Most fees increased by the 2.7% CPI increase
 - New Recycling program plan review fee added for \$65/hour

- Wastewater Discharge Service fees increased in accordance with City Council Resolution 2010-069, June 21, 2010, adopting wastewater discharge rates as published in the notice of proposed sewer and wastewater treatment rates for 2010-11 through 2014-15; 4% increase for 2013-14.

Recreation and Human Services

- Enhanced descriptions of some fees with no rate change

Fiscal Impacts

Staff estimates that the proposed fees will generate \$49,000 in additional General Fund revenue and \$275,000 in additional Enterprise Fund revenue.

General Fund Fees:	<u>Revenues</u>
Community Development/Building	\$ 14,000
Recreation - Rentals	<u>35,000</u>
Total General Fund Fees	\$ <u>49,000</u>
 Enterprise Fund Fees:	
Sewer Service Rates	\$ <u>275,000</u>

ATTACHMENTS

None.

PREPARED BY: David Baum, Finance Director, Finance Department