



## Legislation Details (With Text)

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**Title:** Staff Report for Resolution Approving Adjustments to City Fees and Service Charges for 2014-15

**Sponsors:** David Baum  
Finance Director

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**Attachments:** 1. PowerPoint 4B&4C Public Hearing 2014 0505 Fee and Tax Increases 2014-15.pdf

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Staff Report for Resolution Approving Adjustments to City Fees and Service Charges for 2014-15

### 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 2014-15. This resolution is being presented to the City Council for approval as part of the 2014-15 budget update 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, 2014.

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 2014-15 General Fund Budget, the proposed estimated department revenues total \$6,360,000 or approximately 7.5% 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 2014-15:

#### Community Development

- Building Regulations:
  - most fees are increased by the 2.2% CPI change
  - new flat rates for residential re-roof permits
  - new consolidated fees for:
    1. electrical permit - all electrical circuits (1 new fee, removed 8 fees)
    2. electrical permit - generators and rectifiers (4 new fees, removed 7 fees)
    3. plumbing permit - hot water system boilers (1 new fee, removed 5 fees)
    4. plumbing permit - HVAC boilers (1 new fee, removed 5 fees)
    5. signs permits - 5 new fees, removed 10 fees
- Planning:
  - fees increased by the 2.2% CPI
  - new fee for Mobile Food Vending
  - increased zoning appeal fees based on actual staff processing time
  - new fee for community planning fee relating to advanced or long term planning costs
  - deleted obsolete fees for commission and board agendas and minutes

#### Engineering & Transportation

- Park facilities development impact fees increased based on shelter component of the CPI factor for San Francisco Bay Area (4.0%) or the Engineering News Record (ENR) construction cost index (2.4%)
- Overhead utility conversion increased by ENR for underground utilities factor (2.4%)
- Traffic division increases by ENR escalation factor (5.17%)

Finance - increased fees for hard copy of adopted budget and CAFR

Fire - increased fees by 2.2% CPI and deleted “Automatic closing fire assembly” and “All other plan reviews” since not used

Library - no change to fees

Police - no change to fees

#### Public Works

- Equipment Rental fee for new 2014 loader: sold marker, traffic line equipment thereby eliminating its rental fee
- New barricade fees for block parties (deposit and transportation services)
- Marina fees - Berth rentals are increased by 2.2% as allowed by the Department of Boating

and Waterways loan agreement, Article VI, section 5 (C)

- Environmental Services - most fees increased by the 2.2% CPI increase
- 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; 3.5% increase for 2014-15.

Recreation and Human Services

- no change to fees

**Fiscal Impacts**

Staff estimates that the proposed fees will generate \$200,000 in additional General Fund revenue and \$343,000 in additional Enterprise Fund revenue.

General Fund Fees:	<u>Revenues</u>
Community Development/Building	\$ <u>200,000</u>
Enterprise Fund Fees:	
Sewer Service Rates	\$ <u>343,000</u>

**ATTACHMENTS**

None.

**PREPARED BY:** David Baum, Finance Director, Finance Department