



Legislation Text

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Adopt Resolution Approving Amendments to City Master Fee Schedule for 2023-2024

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council adopt a resolution updating certain City fees and service charges and amending the Master Fee Schedule for 2023-2024.

BACKGROUND

The Master Fee Schedule is a compilation of City Council approved fees for services provided to residents and businesses. The City strives to balance maximizing cost recovery, with reasonable fees encouraging growth and stability in the local residential and commercial economy. The City accomplishes these goals by setting fees at reasonable and appropriate levels given the increasing costs of doing business and market comparisons.

Full cost recovery for certain services is policy-directed by the City Council. A fee schedule maximizing cost recovery opportunities through appropriate fee revenues is a critical component of the City's on-going financial stability. Agencies are allowed to set fees at rates providing fair and reasonable recovery of costs incurred in providing the services, minimizing, or eliminating use of general tax revenues. City user fees and service charges are based on a variety of criteria including the change in the Consumer Price Index (CPI), comparable fees in comparable cities, fee studies, and the direct cost for providing the service. This ensures the City is following the cost-of-service principles of fee development.

This first group of fees proposed for increase are a part of a larger effort to achieve a long-term and sustainable budget by enhancing revenues. In 2021, the City convened an Advisory Budget Task Force to develop an understanding of the City's financial outlook. Building on this initiative, the City Council authorized the City Manager to contract with NBS Government Finance Group to prepare a User Fee Study and Development Impact Fee Study. The User Fee Study is currently underway and anticipated to be presented to the City Council this Fall. The Development Impact Fee Study will commence upon the completion of the User Fee Study.

DISCUSSION

When approved and adopted by the City Council, the proposed adjustments to the City's user fees and service charges will be effective September 1, 2023. These certain fees are being considered in advance of the completion of the User Fee Study and Development Impact Fee Study because the adjustments would be made in accordance with accepted indexes and would enable the City to collect fee revenues consistent with current costs while the studies are prepared.

Attached are the sections of the 2023-2024 Proposed Master Fee Schedule providing details of the current fees and proposed changes. The following summarizes key departmental changes to the Master Fee Schedule:

ENGINEERING & TRANSPORTATION

- Development Fee for Street Improvement (DFSI) and Traffic Impact fees increased by change in SF Bay Area and Engineering Industry Index, 1.09%.

PUBLIC WORKS-Marina

- *San Leandro Marina* Berth Rental rates and Dry Storage Rate fees eliminated with the closure of the San Leandro Marina.

PUBLIC WORKS-Environmental Services Section

- *Environmental Services* Violation Follow-Up for Composite Samples and Grab Sample and Special Discharge Permit adjusted conforming with cost recovery study conducted by Municipal Financial Services approved by City Council Resolution No. 2021-0081.

PUBLIC WORKS-Wastewater

- *Wastewater* Monthly User Charges (for Classification A, B, and C Users and Loading Charges and Connection Fees for dwelling units increased by 8.5% to meet increased staffing and capital costs, this is below the 9.5% increase authorized in the Fiscal Year 2020 Proposition 218 Fee Study).

PUBLIC WORKS-Golf Course

- *San Leandro Resident Green Fees* including Lema Course Weekday Rate, Lema Course Weekend Rate, Marina Course Weekday Rate, Marina Course Weekend Rate increased by 13% to 21%. The fees have not been updated since 2009 and will help offset increasing expenses.

CITY-WIDE

Legal Services Cost Recovery Fee, \$420-\$535/ Hr. (Attorney) and \$200/ Hr. (Paralegal) increased by 3.5% in accordance with the January 2020, agreement with Meyers Nave.

Fiscal Impacts

There is no General Fund impact from the proposed increase in Legal Services Cost Recovery, as such fees are charged to development applicants. Other proposed changes affect Impact Fee Funds, and the Shoreline and Wastewater Enterprise Funds, which relies on assumptions related to the demand for fee-based services. Staff estimates an increase in revenue by approximately \$1,200,000. The revenues collected from these fees go towards specific funds, other than the General Fund.

REVIEW BY FINANCE COMMITTEE

The amendment to the City's Master Fee Schedule for 2023-2024 was reviewed by the City Council Finance Committee on June 28, 2023. The City Council Finance Committee unanimously recommended the resolution and fee schedule be moved to the City Council for acceptance.

ATTACHMENT

- Attachment A - Resolution Approving Amendments to the City's Master Fee Schedule for 2023

-2024

- Attachment B - City of San Leandro 2023-2024 Proposed Master Fee Schedule (abbreviated)
- Attachment C - Presentation

PREPARED BY

T. Michael Yuen, Finance Director