



Legislation Details (With Text)

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Staff Report for a City of San Leandro City Council Resolution Approving Adjustments to City Fees and Service Charges for 2020-21

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 Fiscal Year 2020-21. This resolution is presented to the City Council for approval as part of the Fiscal Year 2020-21 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), fee studies, and the cost to provide the associated service. If approved and adopted by the City Council, the proposed adjustments to the City's user fees and service charges would be effective July 1, 2020.

The Master Fee Schedule is a compilation of City Council approved fees for services provided to residents and businesses in the community. Local agencies are allowed to set fees at rates that obtain fair and reasonable recovery of the costs incurred in providing a special service, thereby minimizing or eliminating the use of limited General Fund revenues. Historically, the City strives to strike a balance between maximizing cost recovery with reasonable fees that still encourage growth and stability in the local residential and commercial economy. The City accomplishes these goals by setting fees at reasonable and appropriate levels given escalating costs of doing business and market comparisons.

Full cost recovery for certain services is a policy direction by the City Council and a fee schedule that maximizes cost recovery opportunities through appropriate fee revenues are a critical component of the City's on-going financial stability. In the Fiscal Year 2020-21 General Fund Budget, the proposed

estimated departmental revenues total \$8,653,000, or approximately 8.2% 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, adjustments, eliminations and additions of new fees.

The proposed fees are shown in ***bold and italics***. The proposed charges are in the right column and are printed in **bold**. The new fees are reflected in ***red bold italics*** text.

The following summarizes departmental changes to the fee schedule for 2020-21:

City-wide - No changes

Community Development

- Decreased one fee associated with Accessory Dwelling Units (ADU) as per State Law; and
- 3 new notes associated with ADUs

Engineering & Transportation

- Park facilities development impact fees increased based on the Engineering News Record (ENR) construction cost index;
- Overhead utility conversion increased by ENR for underground utilities factor;
- Traffic division adjusted Development Fee Street Improvement (DFSI) and the Traffic Impact fees by the ENR escalation factor; and
- Three new fees and two new notes associated with ADUs

Finance - No changes

Fire - No changes

Library

- Four new fees, three associated with new fines and penalties and one for "no show" relating to facility reservations;
- Eliminated two fees (replacement card and rental books no longer provided);
- Eliminated processing and replacement add-on fees; and
- Increased Attendant on-duty fee for meeting facility

Police - No changes

Public Works

- Two new equipment rental fees and six equipment rental fees increased due to increased replacement cost;
- Marina fees -
 - Berth rentals are increased by 3.31% as allowed by the Department of Boating and Waterways loan agreement, Article VI, section 5 (C);
 - Eliminated P.O. Box rental rates since no longer available;

- Environmental Services - most fees increased by the 3.31% CPI, moved two plan review fees to Solid Waste and Recycling, and eliminated two miscellaneous service fees; and
- Wastewater Discharge Service fees - monthly user charges increased by 5% and connection fees increased by 1.74%.

Recreation and Human Services - No changes

Fiscal Impacts

Staff does not anticipate any significant changes in revenues based on the proposed fee increases.

ATTACHMENT

N/A

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