



# FY 2024/25 Fees and Charges Update

Finance Department

City Council  
April 22, 2025

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## Background

- **2015:** Last citywide fees and charges study
- **2021:** Fees and charges study initiated
- **2022:** Study placed on hold pending new City Manager
- **2023:** 7.5% CPI increase adopted pending completion of the study
- **2023-2024:** Fee study refreshed with updated data. Excluding most developer fees, the City Council adopted recommended fee increases.



| Effective Date | Rate Increase |
|----------------|---------------|
| 7/1/2016       | 0%            |
| 7/1/2017       | 0%            |
| 7/1/2018       | 0%            |
| 7/1/2019       | 0%            |
| 7/1/2020       | 0%            |
| 7/1/2021       | 0%            |
| 7/1/2022       | 0%            |
| 7/1/2023       | 7.5%          |

No Fee Increases  
from FY 2016 - 2023

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## What are User Fees?

- **Recover costs** of programs that provide direct **benefit to an individual or business** requesting a specific service.
- **Reduce subsidies** from general purpose revenues, primarily taxpayer dollars
- May not exceed the **estimated “reasonable” cost** of providing service activity



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## What is a Fee Study?

### Purpose & Methodology

- Performed every 3 - 5 years
- Determine the “reasonable” full cost of providing services
  - Up to 100% of the full cost may be recovered
- Comparison Studies
- Community Engagement
- Facilitates informed decision making based on the City's goals and values

### Typical Fee Composition

#### Direct Costs

- Direct Labor
- 3<sup>rd</sup> Party Costs
- Material Costs

#### Department

#### Overhead

- Operational Costs
- Administrative functions- Finance

#### Central Service Overhead

- Human Resources
- Finance



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## Fee Adjustments

### Key Factors Behind Fee Adjustments Identified in the Study

- **Cost Increases**
  - Rising operating and personnel costs since the 2015 fee study, driven by inflation.
  - Including direct costs for materials and equipment previously excluded.
- **Fee Recovery Policy**
  - Shift toward higher cost recovery to reduce reliance on general revenue subsidies.
- **Staffing Changes**
  - Adjustments in staffing levels, time estimates, or positions required to deliver services.
- **Service Delivery Changes**
  - Streamlined methods reducing staff time for some services, resulting in lower fees.



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## Fee Study

- Developer Fees included in FY 2024/25 Master Fees and Charges Schedule adopted by City Council on June 27, 2024:
  - Fire Department Fees
  - Riverside Public Utilities Fees
- Developer fees deferred for further review and Community Engagement and to develop a plan to enhance service delivery:
  - Public Works – Engineering Fees
  - CEDD – Building and Safety Fees
  - CEDD – Planning Fees
- Other Fees Reviewed Include:
  - Public Works – Refuse Fees
  - Parks and Recreation – Administration/Plan Check Fees



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## Fee Adjustment Methodology

- Limiting fee increases to recover no more than 80%, with the following exceptions:
  - Fees already recovering above 80% cost recovery (maintained at the current rate),
  - Fees currently recovering above 100% (reduced to 100% recovery)
  - Fee adjustments that would result in a lower equivalent fee to applicants if reduced to 80%.



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## Study Finding by Department/Division/Fund

|   | Current                               |                         |                         |                             |                          |  | Recommended |  |
|---|---------------------------------------|-------------------------|-------------------------|-----------------------------|--------------------------|--|-------------|--|
| User Fee Department                       | (A) Full Cost<br>User Fee<br>Services | (B) Current Revenue     | (C) Current Subsidy     | (D) Cost Recovery<br>Policy | (E) Increased<br>Revenue |  |             |  |
| <b>Community Development</b>              |                                       |                         |                         |                             |                          |  |             |  |
| <i>Building and Safety</i>                | \$ 4,659,728                          | \$ 3,713,600 80%        | \$ 946,128 20%          | \$ 4,192,290 90%            | \$ 478,690               |  |             |  |
| <i>Planning</i>                           | \$ 1,929,291                          | \$ 1,202,682 62%        | \$ 726,609 38%          | \$ 1,492,953 77%            | \$ 290,271               |  |             |  |
| <b>Public Works</b>                       |                                       |                         |                         |                             |                          |  |             |  |
| <i>Engineering and Maintenance</i>        | \$ 4,479,117                          | \$ 2,860,909 64%        | \$ 1,618,208 36%        | \$ 3,701,894 83%            | \$ 840,985               |  |             |  |
| <b>Parks, Recreation, &amp; Comm Svcs</b> |                                       |                         |                         |                             |                          |  |             |  |
| <i>Plan Check Fees</i>                    | \$ 31,298                             | \$ - 0%                 | \$ 31,298 100%          | \$ 25,038 80%               | \$ 25,038                |  |             |  |
| <b>Totals:</b>                            | <b>\$ 11,099,434</b>                  | <b>\$ 7,777,191 70%</b> | <b>\$ 3,322,243 30%</b> | <b>\$ 9,412,175 85%</b>     | <b>\$ 1,634,984</b>      |  |             |  |



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## Changes in User Fees

| User Fee Department                       | No. of Fees Increased | No. of Fees Decreased | No. of Fees with No Change | No. of Fees Added | No. of Fees Removed |
|---|-----------------------|-----------------------|----------------------------|-------------------|---------------------|
| <b>Community Development</b>              |                       |                       |                            |                   |                     |
| <i>Building and Safety</i>                | 79                    | 6                     | 29                         | 53                | 2                   |
| <i>Planning</i>                           | 54                    | 5                     | 11                         | 6                 | 7                   |
| <b>Public Works</b>                       |                       |                       |                            |                   |                     |
| <i>Engineering and Maintenance</i>        | 217                   | 5                     | 39                         | 20                | 1                   |
| <i>Refuse</i>                             | 0                     | 0                     | 0                          | 31                | 0                   |
| <b>Parks, Recreation, &amp; Comm Svcs</b> |                       |                       |                            |                   |                     |
| <i>Plan Check</i>                         | 0                     | 0                     | 0                          | 13                | 0                   |
| <b>Totals:</b>                            | <b>350</b>            | <b>16</b>             | <b>79</b>                  | <b>123</b>        | <b>10</b>           |



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## Parking Bail Schedule

- The City has not conducted a comprehensive update to the bail schedule for parking violations since 2010.
- Staff recommend increasing all violations in the parking bail schedule by \$5.
- For the most common citation type (accounts for 55% of citations issued in 2023/24), this increase will adjust the violation from \$41 per citation to \$46 per citation.
- Recommended increases would place Riverside at a reasonable level when compared to other local agencies.



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## Other Proposed Fee Adjustments

- Police Department
  - Staff recommend removal of towing fees for low value vehicles, which are currently set at \$69.75.
  - Staff recommend lowering of regulatory license fee for renewals of License to Sell Weapons from \$561 to \$280.
- Transportation Uniform Mitigation Fee Program
  - Update master fees and charges schedule to adjust fees as modified by the Western Riverside County Regional Conservation Authority.



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## STRATEGIC PLAN ALIGNMENT



### HIGH PERFORMING GOVERNMENT

### CROSS-CUTTING THREADS



Community Trust



Equity



Innovation

Fiscal  
ResponsibilitySustainability  
and Resiliency

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## RECOMMENDATIONS

That the City Council:

1. Conduct a public hearing on the City of Riverside's Proposed Fiscal Year 2024/25 Master Fees and Charges Schedule; and
2. Introduce and subsequently adopt an ordinance amending the Riverside Municipal Code (RMC) Chapter 3.30 Section 3.30.030 – Schedule of Regulation, Products and Services, subsection IV – Community and Economic Development, to delete one category titled Day Care Permit Review, and subsection XIV – Utilities and Enterprises – Refuse to add two additional categories titled Supplemental Residential Waste Services and Supplemental Commercial Waste Services, and add subsection XX – Administration and Community Development Support – Parks and Recreation, to add three categories titled Planning Case Review, Public Works Permit Plan Check and Inspection, and Building Permit Plan Check and Inspection.



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