

# FY 2024/25 Proposed Fees and Charges

Finance Department

City Council  
June 11, 2024

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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:** Study refreshed with updated data.

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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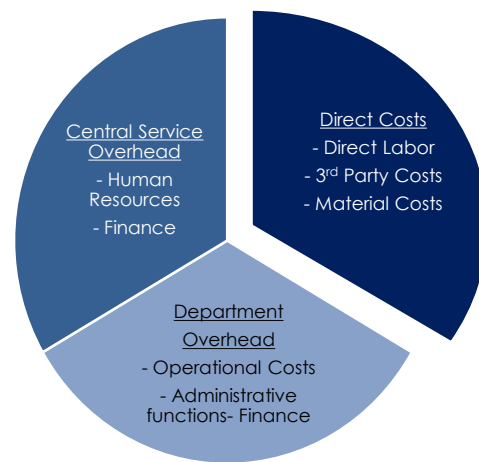
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# Fee Study

## 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



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# Scope of Study

Analyzed the cost of fee-related services provided by the following department/divisions:

<b>CEDD - Code Enforcement</b>	<b>Finance</b>
<b>CEDD - Arts &amp; Cultural Affairs</b>	<b>Fire</b>
<b>PW – Public Parking</b>	<b>Library</b>
<b>PW – Animal Services</b>	<b>RPU Electric</b>
<b>Police</b>	<b>RPU Water</b>
<b>City Clerk</b>	<b>Park, Recreation, &amp; Community Services</b>

\* The cost analysis for Development Service department fees for Community Development Building & Safety, and Planning, as well as Public Works Engineering will be presented at a later date. 5



# Recommended Fee Recovery Policy

## 100 % Cost Recovery

- Code Enforcement
- Public Parking
- Police
- Fire
- Recreation Facilities
- City Clerk
- Credit Card Processing
- Finance Miscellaneous
- RPU Electric
- RPU Water

## Partial Cost Recovery

- Arts & Cultural Affairs – 7%
- Animal Services – 49%
- Recreation Programs – 33%
- Finance Non-sufficient funds & Tax-Free Certificate Processing – 60%
- Library – 15%



## Study Findings by Department/Division

User Fee Department	Current						Recommended		
	(A) Full Cost	(B) Current Revenue			(C) Current Subsidy		(D) Cost Recovery Policy		(E) Increased Revenue
	User Fee Services								
<b>Community Development</b>									
Code Enforcement	\$ 1,447,978	\$ 181,011	13%	\$ 1,266,967	87%	\$ 1,447,978	100%	\$ 1,266,967	
Arts & Cultural Affairs	\$ 467,497	\$ 19,104	4%	\$ 448,393	96%	\$ 33,525	7%	\$ 14,421	
<b>Public Works</b>									
Public Parking	\$ 29,297	\$ 18,584	63%	\$ 10,713	37%	\$ 29,297	100%	\$ 10,713	
Animal Services	\$ 2,048,540	\$ 775,823	38%	\$ 1,272,717	62%	\$ 1,013,760	49%	\$ 237,937	
<b>Police</b>	\$ 1,081,158	\$ 478,866	44%	\$ 602,292	56%	\$ 913,344	84%	\$ 434,478	
<b>Parks, Recreation, &amp; Comm Svcs</b>	\$ 7,268,654	\$ 2,898,945	40%	\$ 4,369,709	60%	\$ 3,367,500	46%	\$ 468,555	
City Clerk	\$ 35,355	\$ 48,000	136%	\$ (12,645)	-36%	\$ 35,355	100%	\$ (12,645)	
<b>Finance</b>	\$ 42,112	\$ 19,557	46%	\$ 22,555	54%	\$ 26,702	63%	\$ 7,145	
<b>Fire</b>	\$ 2,305,836	\$ 1,751,248	76%	\$ 554,588	24%	\$ 2,305,836	100%	\$ 554,588	
<b>Library</b>	\$ 41,345	\$ 5,792	14%	\$ 35,553	86%	\$ 6,184	15%	\$ 392	
<b>RPU Electric</b>	\$ 7,343,651	\$ 3,883,940	53%	\$ 3,459,711	47%	\$ 7,343,651	100%	\$ 3,459,711	
<b>RPU Water</b>	\$ 2,462,656	\$ 906,791	37%	\$ 1,555,866	63%	\$ 2,462,656	100%	\$ 1,555,866	
<b>Totals:</b>	<b>\$ 24,574,079</b>	<b>\$ 10,987,660</b>	<b>45%</b>	<b>\$ 13,586,418</b>	<b>55%</b>	<b>\$ 18,985,788</b>	<b>77%</b>	<b>\$ 7,998,127</b>	



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## Study Findings by Fund

User Fee Fund	Current						Recommended		
	(A) Full Cost	(B) Current Revenue			(C) Current Subsidy		(D) Cost Recovery Policy		(E) Increased Revenue
	User Fee Services								
<b>101 - General Fund</b>	\$ 12,689,935	\$ 5,402,523	43%	\$ 7,287,412	57%	\$ 8,136,424	64%	\$ 2,733,901	
<b>510 - Electric Fund</b>	\$ 7,343,651	\$ 3,883,940	53%	\$ 3,459,711	47%	\$ 7,343,651	100%	\$ 3,459,711	
<b>520 - Water</b>	\$ 2,462,656	\$ 906,791	37%	\$ 1,555,866	63%	\$ 2,462,656	100%	\$ 1,555,866	
<b>570 - Public Parking</b>	\$ 2,077,837	\$ 794,407	38%	\$ 1,283,430	62%	\$ 1,043,057	50%	\$ 248,650	
<b>Totals:</b>	<b>\$ 24,574,079</b>	<b>\$ 10,987,660</b>	<b>45%</b>	<b>\$ 13,586,418</b>	<b>55%</b>	<b>\$ 18,985,788</b>	<b>77%</b>	<b>\$ 7,998,127</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>Code Enforcement</i>	18	2	4	0	0
<i>Arts &amp; Cultural Affairs</i>	7	0	5	3	0
<b>Public Works</b>					
<i>Public Parking</i>	4	0	0	0	0
<i>Animal Services</i>	14	2	3	1	0
<b>Police</b>	30	14	57	0	2
<b>Parks, Recreation, &amp; Comm Svcs</b>	75	0	3	12	0
<b>City Clerk</b>	4	1	4	0	0
<b>Finance</b>	3	7	7	0	0
<b>Fire</b>	71	27	57	21	9
<b>Library</b>	3	0	48	0	0
<b>RPU Electric</b>	28	5	0	7	3
<b>RPU Water</b>	47	7	19	5	7
<b>Totals:</b>	<b>304</b>	<b>65</b>	<b>207</b>	<b>49</b>	<b>21</b>

\* Excludes deposits


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- ## New Fees
- CEDD Arts & Cultural Affairs
    - Film Permit
    - Cancellation Penalties
  - PW Animal Services – Kennel/Cattery License
  - PRCS – Recreational classes
  - Fire – Plan Check & Inspection Fees
  - Credit Card Fee
  - RPU Electric
    - Plan Check fees
    - New Construction/Improvements
    - Customer Utility Services
  - RPU Water
    - Plan Check Fees
    - New Construction
    - Water Permits/Tests
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## Deleted Fees

- Massage Therapist – handled by State
- Fire Inspection fees – remove redundancies
- Electric fees – Services no longer provided
- Water fees – Services no longer provided



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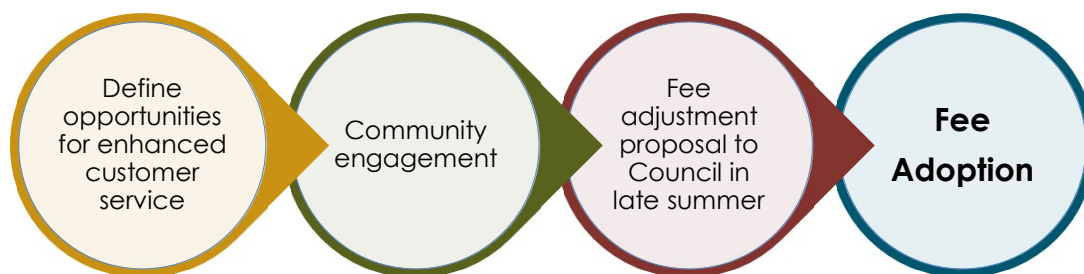
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## Next Steps – Developer Fees

**CEDD - Building & Safety**

**CEDD - Planning**

**PW – Engineering**



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# STRATEGIC PLAN ALIGNMENT



## HIGH PERFORMING GOVERNMENT

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### CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility




Sustainability and Resiliency

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# RECOMMENDATIONS

That the City Council:

1. Receive and provide input on Fees and Charges Study findings report from MGT of America Consulting, LLC; and
2. Receive and provide input on the proposed Fiscal Year 2024/25 Citywide User Fees and Charges adjustments.

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