

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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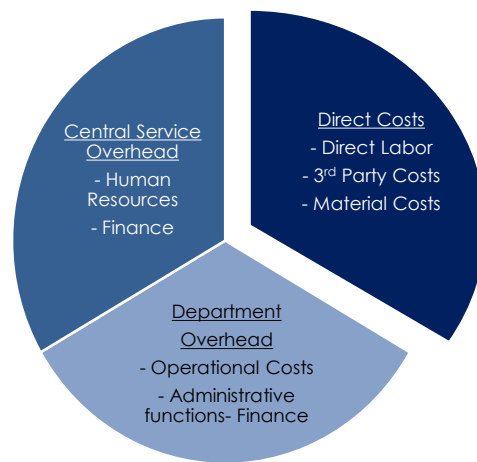
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Fee Study

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:

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

* 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								
Community Development									
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	
Public Works									
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	
Police	\$ 1,081,158	\$ 478,866	44%	\$ 602,292	56%	\$ 913,344	84%	\$ 434,478	
Parks, Recreation, & Comm Svcs	\$ 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)	
Finance	\$ 42,112	\$ 19,557	46%	\$ 22,555	54%	\$ 26,702	63%	\$ 7,145	
Fire	\$ 2,305,836	\$ 1,751,248	76%	\$ 554,588	24%	\$ 2,305,836	100%	\$ 554,588	
Library	\$ 41,345	\$ 5,792	14%	\$ 35,553	86%	\$ 6,184	15%	\$ 392	
RPU Electric	\$ 7,343,651	\$ 3,883,940	53%	\$ 3,459,711	47%	\$ 7,343,651	100%	\$ 3,459,711	
RPU Water	\$ 2,462,656	\$ 906,791	37%	\$ 1,555,866	63%	\$ 2,462,656	100%	\$ 1,555,866	
Totals:	\$ 24,574,079	\$ 10,987,660	45%	\$ 13,586,418	55%	\$ 18,985,788	77%	\$ 7,998,127	



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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								
101 - General Fund	\$ 12,689,935	\$ 5,402,523	43%	\$ 7,287,412	57%	\$ 8,136,424	64%	\$ 2,733,901	
510 - Electric Fund	\$ 7,343,651	\$ 3,883,940	53%	\$ 3,459,711	47%	\$ 7,343,651	100%	\$ 3,459,711	
520 - Water	\$ 2,462,656	\$ 906,791	37%	\$ 1,555,866	63%	\$ 2,462,656	100%	\$ 1,555,866	
570 - Public Parking	\$ 2,077,837	\$ 794,407	38%	\$ 1,283,430	62%	\$ 1,043,057	50%	\$ 248,650	
Totals:	\$ 24,574,079	\$ 10,987,660	45%	\$ 13,586,418	55%	\$ 18,985,788	77%	\$ 7,998,127	



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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
Community Development					
<i>Code Enforcement</i>	18	2	4	0	0
<i>Arts & Cultural Affairs</i>	7	0	5	3	0
Public Works					
<i>Public Parking</i>	4	0	0	0	0
<i>Animal Services</i>	14	2	3	1	0
Police	30	14	57	0	2
Parks, Recreation, & Comm Svcs	75	0	3	12	0
City Clerk	4	1	4	0	0
Finance	3	7	7	0	0
Fire	71	27	57	21	9
Library	3	0	48	0	0
RPU Electric	28	5	0	7	3
RPU Water	47	7	19	5	7
Totals:	304	65	207	49	21

* 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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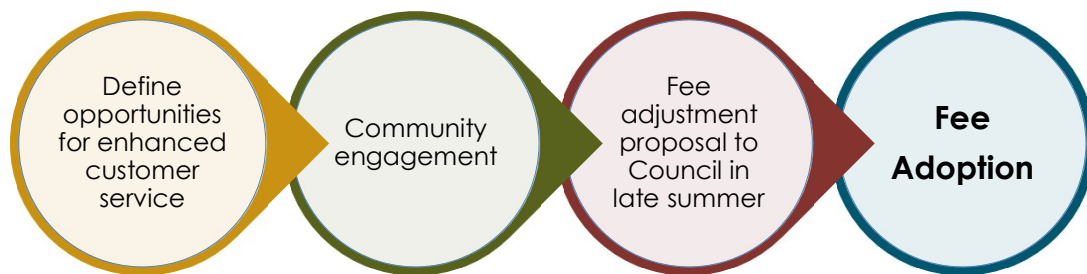
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Next Steps – Developer Fees

CEDD - Building & Safety

CEDD - Planning

PW – Engineering



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STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

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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