

FY 2024/25 Fees and Charges

Finance Department

City Council
June 25, 2024

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1

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

2



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2

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



3

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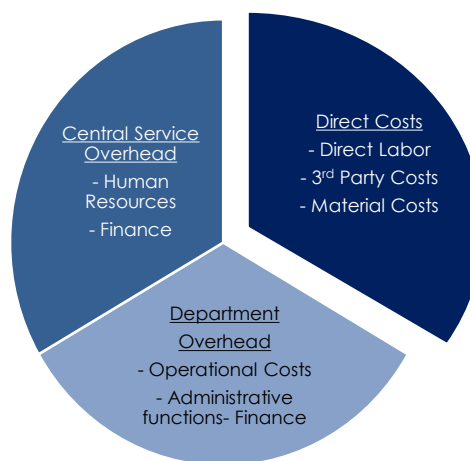
3

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



4



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4

Scope of Study

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

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

* 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	



7

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7

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	



8

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8

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



9

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9

Deleted Fees

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



10

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10

Next Steps – Developer Fees

CEDD - Building & Safety | CEDD - Planning | PW – Engineering

11

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11

STRATEGIC PLAN ALIGNMENT

 **HIGH PERFORMING GOVERNMENT**

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility



Sustainability and Resiliency

12

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12

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;
2. Adopt an ordinance amending the Riverside Municipal Code (RMC) Chapter 3.30 Section 3.30.030 – Schedule of Regulation, Products and Services, subsection II – Finance, to add one additional category titled Convenience Fees and subsection VII – Public Safety – Fire, to add eleven additional categories titled Final As-Built (Revision) Plan Check, Fire Protection Plan (FPP) Review, Hazardous Material Analysis Report, High Pile, Defensible Space Review / Inspection, Performance Based Review, Alternative Means And Method Review, Rocket Launch, Burn Permit, Blasting Permit, Fire Alarm Control Panel / Communicator (Charge Out Only), and revise one category titled Petroleum Tank Inspection - Above Ground (APSA) to Third and Subsequent Plan Review Submittal; and
3. Adopt a resolution approving the Proposed Fiscal Year 2024/25 Master Fees and Charges Schedule.

13



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