



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: JULY 14, 2026**

**FROM: FINANCE DEPARTMENT      WARDS: ALL**

**SUBJECT: ADOPT ORDINANCE AMENDING CHAPTER 3.30.030 OF THE RIVERSIDE MUNICIPAL CODE TO ADD TWO CATEGORIES AND EIGHT FEES**

**ISSUE:**

Adopt an ordinance amending the Riverside Municipal Code (RMC) Chapter 3.30 Section 3.30.030 – Schedule of Regulation, Product and Services to add two categories and eight additional fees.

**RECOMMENDATION:**

That the City Council adopt an ordinance amending the Riverside Municipal Code (RMC) Chapter 3.30 Section 3.30.030 – Schedule of Regulation, Products and Services, adding two categories and eight additional fees.

**LEGISLATIVE HISTORY**

The State Constitution provides the authority for cities to impose user and regulatory fees for services and activities; however, the fees may not exceed the estimated reasonable cost of providing the service or performing the activity.

Riverside Municipal Code Chapter 3.30.040 establishes the requirements for the annual Master Fees and Charges Schedule:

“The City Council shall, at least annually in conjunction with the City annual budget process, receive at a regularly scheduled meeting oral and written presentations concerning fees and charges proposed to be decreased, increased or deleted. At least ten days prior to such public meeting, the City Manager shall make available to the public appropriate data indicating the cost, or estimated cost, required to support the fees and charge for which changes are proposed to be made or fees or charges imposed. The City Manager also shall provide a summary of the present fee and charge schedules and those proposed at such annual public meeting.”

## **BACKGROUND:**

User Fees are charged to individuals and businesses requesting additional specific services and activities to ensure these individuals and businesses that benefit from specific services contribute to their cost. User fees cannot exceed the estimated “reasonable” cost of providing individualized services. Examples where user fee charges apply include but are not limited to:

- Individuals or businesses requesting a building permit for construction, renovation or alterations of a building or structure
- Someone requiring a dog license
- A business owner requiring a Fire safety inspection
- An individual wanting to participate in a Park sponsored sports league

User fees reduce the burden on general taxpayers who may not utilize those services. For the most part, General tax dollars, like property and sales taxes, are used to fund essential core services available to all citizens, like police, fire protection or parks. To the extent user fees do not cover the entire cost of providing specific services, general tax dollars are likely used to subsidize the costs of these individual services.

On an annual basis and in conjunction with the annual budget process the Budget Office compiles all active and previously approved fees and charges into a single publication titled “Master Fees and Charges Schedule” (Attachment 2). Following Council review in June, the updated Schedule is made available to the public via the City’s website at: <https://RiversideCA.gov/Finance/Fees.asp>. If new fees or revisions to existing fees are requested by City departments during this same timeframe, those requests are presented at a public hearing conducted by the City Council; if approved by the City Council, the fees are added to the Master Fees and Charges Schedule.

In 2023, the City initiated a comprehensive update to its user fees and charges based on a cost-of-services study conducted by MGT of America Consulting, LLC (MGT). This resulted in a citywide update to most fees adopted by the City Council in June 2024. At that time, development-related fees were not included in the update, as further analysis was needed to ensure appropriate fee levels.

On April 22, 2025, the City Council approved updated development-related fees and charges for the city departments of Public Works, Community & Economic Development, and Parks, Recreation and Community Services, based on the cost study performed by MGT. The City Council also approved targeted adjustments to Refuse fees, Police fees, Parking Bail fees, and the Transportation Uniform Mitigation Fee Program.

These costs studies serve as the foundation for the current fee and charge levels and used FY 23/24 estimated costs as the basis for the fee levels.

## **DISCUSSION:**

The Proposed FY 2026/27 Master Fees and Charges Schedule (Attachment 3) include all fees and charges previously approved by Council action through September 16, 2025. The proposed fees and charges incorporate a recommended increase to most fees and charges based on Consumer Price Index, rounds fees to account for federal policy to discontinue penny production, and other departmental requested adjustments.

## **Consumer Price Index (CPI) Increase**

A Consumer Price Index (CPI) adjustment to the City's fees and charges is recommended to ensure that revenues collected for services keep pace with the rising cost of providing those services. Over time, inflationary pressures increase the City's operational expenses, including personnel costs, contractual services, utilities, equipment, materials, and technology. Without periodic CPI-based adjustments, the cost recovery associated with City services may decline, resulting in greater reliance on General Fund revenues or subsidies from other sources to maintain existing service levels. Implementing a CPI adjustment provides a consistent and transparent methodology to maintain alignment between service costs and fee revenues while avoiding the need for larger, less predictable fee increases in the future.

The last set of comprehensive fee updates assumed projected FY 2023/24 costs. Staff calculated CPI growth from January 2024 to December 2025, which reflected a 5.7 percent increase. Staff propose a 5.7 percent CPI adjustment to most fees and charges in FY 2026/27 to reflect current inflationary trends and generally aligns with increases experienced in the City's cost structure over the same period. Labor agreements, benefit costs, insurance premiums, fuel, construction materials, and vendor contracts have all experienced measurable cost escalation consistent with regional and national inflation. The proposed fee levels are intended to remain in alignment with Council approved cost recovery policies adopted as part of the last comprehensive fee updates. For example, City Council adopted an 80% cost recovery policy for most developer fees and charges in 2025. Given the increase in city costs compared to the assumed costs in that update, if fees are not increased, the cost recovery would fall below the City Council approved 80 percent policy. This increase would help maintain compliance with the 80% cost recovery policy.

The annual CPI adjustment is intended to serve as an interim maintenance mechanism between the City's comprehensive Fees and Charges Study updates, which are typically conducted every three to five years. During those comprehensive reviews, the City evaluates the full cost of service delivery, analyzes policy considerations, and adjusts fees as necessary to ensure compliance with applicable cost recovery requirements. The annual CPI adjustment therefore complements, rather than replaces, the broader comprehensive fee review process.

Exceptions to proposed FY 2026/27 CPI increases would include, but not be limited to, fees set by outside agencies, various parks and recreation fees that are likely to reduce service demand and lead to decreased revenue, specified recreational fees, rental fees, senior fees, and other charges otherwise specifically set in the municipal code.

The CPI increase in FY 2026/27 is one of the deficit reduction measures included in the proposed 2026-2028 biennial budget. To the extent CPI is not approved as proposed, alternative actions will be needed to address the remaining budget deficit.

### *Development Fees and Charges*

In 2025, the City completed a comprehensive update to development related fees and charges resulting from User Fees and Charges Study conducted in consultation with MGT of America Consulting, LLC. The study calculated the full 100% cost of providing certain City services. City Council adopted recommendations to generally set development fees at an 80% cost recovery with various limited exceptions. This excluded development impact fees.

The 2025 user fee study includes a comparative analysis of fees charged by six neighboring cities. This consists of agencies from the City's market basket of cities, including neighboring agencies and in some cases, the County of Riverside, that would provide the best comparison. The compared fees were selected by the departments, with guidance from MGT. Overall, the City's fees are within range of its peers.

- **Community Development – Building and Safety:** The City conducted a comparison analysis across eight different activities, including five types of development and three trade services. Across the board, the proposed fees fell on the lower end of the scale compared to the six neighboring cities and the county, including the lowest housing construction building permit fees in the region.
- **Community Development – Planning:** The City conducted a comparison analysis across eight different activities, including but not limited to design review, general plan amendments, conditional use permits, and environmental analysis. Overall, the proposed fees fell in the middle end of the scale compared to the six neighboring cities and the county. However, there appears to be a lot of variance in how fees are calculated, which adds complexity to the analysis.
- **Public Works – Engineering:** The City conducted a comparison analysis across six different activities, including but not limited to construction permits, street opening permit/inspection, water quality management program project review, and grading plan checks. Overall, the proposed fees fell in the middle end of the scale compared to the six neighboring cities. However, there appears to be a lot of variance in how fees are calculated, which adds complexity to the analysis.

The recommended CPI increase of 5.7% in FY 2026-27 is intended to make sure that the cost recovery level continues to align with the cost recovery rate adopted by City Council in 2025. This increase is not anticipated to change the competitiveness and comparisons with other market basket cities, especially given that other cities also make regular updates to their fees and charges to align with costs. The City will provide a revised comparative analysis as part of the next comprehensive fees and charges study.

Further, although development impact fees are not included in the city's fees and charges and comparisons noted above, the City's impact fees are lowest among regional peers. In May 2026 the Western Regional Council of Governments (WRCOG) published a fee comparison analysis to evaluate development impact fees across western Riverside County, including how fees vary by land use, how they have changed since 2022, and how they relate to total development costs. Using current fee schedules and standardized development prototypes, the analysis provides a consistent, regionwide comparison of fee levels and their role within overall project economics. The WRCOG analysis found that the City of Riverside was consistently below average and had the lowest level of development impact fees across most project types. The City is currently engaging a consultant to evaluate Development Impact Fees, which have not been updated in over two decades.

## **Rounding Adjustments**

The U.S. Treasury discontinued penny production on November 12, 2025. Although pennies remain legal tender, banks will no longer replenish penny inventory. Staff recommend adjusting fees and charges to the nearest dollar for most fees, with some fees to be rounded to the nearest nickel. Staff incorporated this rounding as part of the recommended CPI adjustments. However, there are some fees, such as building permit and inspection fees that are calculated based on

square feet of projects that still maintain pennies as part of the methodology. There are other fees that charge actual costs, which may include pennies. In cases where pennies are still included in the master fees and charges schedule, staff request authority to round the final payment to the nearest nickel or dollar, whichever is more practical. The timeline to implement this rounding for fees and charges that maintain pennies is contingent on changes to the city's various payment processing systems and will be implemented at the earliest time possible. The Finance Department finds that rounded fees continue to fall within the range of estimated reasonable costs of providing services.

**Department Changes**

The Fiscal Year 2026-27 Master Fees and Charges schedule includes recommended revisions to the City Clerk, Fire, Parks, Recreation and Community Services, and Public Works Departments, as summarized below.

City Clerk

The addition of two new fee categories and eight new fees. The Notary Services fee category will be added with seven new fees related to services that will be provided by the City Clerk. The recommended fee levels align with amounts identified in Government Code 8211 and are projected to cover estimated reasonable costs of providing the service. Public Records fee category will be added with one new fee for the Public Records Duplication Fee or Statutory Fee (per page).

New Service Fee	Fee Description	Proposed Fee (2026/27)
<b>Office of the City Clerk</b>		
Public Records Duplication Fee or Saturator Fee (Per Page)	Fixed Fee	\$0.15
Notary Service Fees		
Acknowledgements Per Signature	Fixed Fee	\$15.00
Oath Confirmation (Per Person	Fixed Fee	\$15.00
Jurats	Fixed Fee	\$15.00
Deposition Services - All services rendered in connection with taking a deposition	Fixed Fee	\$30.00
Deposition Services - Administering Oath to the witness	Fixed Fee	\$7.00
Deposition Services - Certificate of Deposition	Fixed Fee	\$7.00
Power of Attorney Certifying Copy of power of attorney under Probate Code Section 4307	Fixed Fee	\$15.00

Fire Department

The Fire Department has implemented a late payment penalty structure for Defensible Space Inspection/Re-inspection fees and Fire Safety Inspections. The purpose of this update is to improve timely payment compliance, reduce administrative follow-up efforts, and support the collection of outstanding balances associated with inspection services.

New Service Fee	Fee Description	Proposed Fee (2026/27)
<b>Fire Department</b>		
Defensible Space Inspection/Reinspection		
Late Fee - 30 Days	% of base fee	20%
Late Fee - 60 Days	% of base fee	40%
Late Fee - 90 Days	% of base fee	60%
Fire Safety Inspection		
Late Fee - 30 Days	% of base fee	20%
Late Fee - 60 Days	% of base fee	40%
Late Fee - 90 Days	% of base fee	60%

Parks Recreation and Community Services Department

The Parks Recreation and Community Services Department has added 19 new fees and deleted 26 existing fees as shown in the charts below.

New fees are included in the Recreation, Rentals, and the Bourns Youth Innovation Center categories.

New Service Fee	Fee Description	Proposed Fee (2026/27)	Reason	
<b>Parks, Recreation, &amp; Community Services</b>				
<b>Recreation</b>				
Adult Sports Programs			New fees are being added to reflect the Department's expansion into emerging sports and recreational programming, ensuring appropriate cost recovery for new offerings.	
Adult Volleyball	Fixed Fee	\$220.00		
Adult Boxing Club	Fixed Fee	\$30.00		
Challenged Citizen Activities				
Skills	Adaptive Programming - Social	Fixed Fee		\$20.00
	Adaptive Programming - Dance	Fixed Fee		\$18.00
Fitness/Sports	Adaptive Programming -	Fixed Fee		\$60.00
Day Camp and Other Youth Class Programs				
	Little Totters Camp (monthly)	Fixed Fee		\$95.00
Youth City Activities				
	Afterschool Program - Participant/School Pick-up	Fixed Fee		\$30.00
Youth Sports Programs				
	Youth Volleyball	Fixed Fee		\$75.00
	Little Explorers	Fixed Fee		\$95.00

New Service Fee	Fee Description	Proposed Fee (2026/27)	Reason
Senior Citizens Programs			New fees are being introduced to align with updated programming offered through Eldertainment and other enhanced senior services.
Senior Eldertainment	Fixed Fee	\$10.00	
Senior Social Enrichment	Fixed Fee	\$10.00	
<b>Rentals</b>			
Use of Other Department Facilities			A half-field rental fee is being added to reflect current reservation practices. This will improve customer service by allowing organizations to reserve space based on actual needs and usage.
Half Field No Lights	Hourly Fee	\$52.00	
Half Field Lights	Hourly Fee	\$72.00	
<b>Bourns Family Youth Innovation Center</b>			
Residents Military Membership	Fixed Fee	\$20.00	A reduced membership fee is being introduced for military personnel in response to increased demand and to recognize their service.
Non Residents Military Membership	Fixed Fee	\$30.00	
Youth City Activities			A revised, more flexible fee structure is being implemented to support the addition of new programs without requiring ongoing updates to the fee schedule.
STEAM Based Classes	Fixed Fee	\$75.00	
STEAM Based Camps	Fixed Fee	\$150.00	
Trade & Specialty Classes	Fixed Fee	\$50.00	
Video & Music Classes	Fixed Fee	\$75.00	

Department\Deleted Service Fee	Current Fee	Reason
<b>Parks, Recreation and Community Services</b>		
<b>Recreation</b>		
Senior Computer Class	No Charge	Fees are being removed to align with the Department's current and planned programming model titled Eldertainment
Senior ESL Class	No Charge	
Senior Arts Program	No Charge	
Senior Special Events - Major	\$26.00	
Senior Special Events - Minor	\$11.00	
Boathouse Rentals Group Discount	20%	Operations are through a concessionaire - Under this

Department\Deleted Service Fee	Current Fee	Reason
		new structure, the concessionaire is responsible for the day-to-day operations, maintenance, staffing, and customer service associated with the boathouse.
Weekday 9 Holes Twilight Golf	\$11.75	The standalone tournament fee is no longer needed, and twilight rates are being eliminated for both weekdays and weekends, as current pricing is already competitively set.
Weekday 18 Holes Twilight Golf	\$17.00	
Weekend 9 Holes Twilight Golf	\$12.75	
Weekend 18 Holes Twilight Golf	\$18.00	
Adult Group Field Lighting Penalty Per Hour Per Field	\$29.50	Existing penalty fees are being removed and replaced with a revised structure that charges at a higher hourly rate. This adjustment strengthens enforcement, promotes compliance, and ensures cost recovery for improper use.
Youth Group Field Lighting Penalty Per Hour Per Field	\$39.00	
Private Youth Group Field Lighting Penalty Per Hour Per Field	\$29.75	
Security Deposit if rental is less than \$50	\$36.25	Specific processing fees and deposits are being removed to maintain consistency across all Department facilities.
Security Deposit if rental more than \$50	\$361.25	
Experiment Tuesday's	\$65.00	Individual Programs-specific fees are being removed to allow for greater flexibility in program development. A more general fee structure will be implemented at equivalent rate levels, reducing the need for frequent updates when introducing new activities.
Intro to Tinkercad	\$83.00	
Chemistry for Kids	\$77.00	
Space Club	\$75.00	
STEAM Club	\$75.00	
Homeschool Adventures	\$102.00	
Intro to Sewing	\$75.00	
Robotics for Kids	\$75.00	
Beginning Music Production	\$75.00	
Intro to Open Broadcast	\$75.00	
Web Design	\$75.00	

Public Works Animal Services

Public Works Animal Services has added two fees and deleted one related to animal traps. The revisions are to align fees with the County of Riverside Department of Animal Services.

New Service Fee	Fee Description	Proposed Fee (2026/27)
<b>Public Works</b>		
<b>Animal Services</b>		
Lost or Destroyed Cat Traps	Fixed Fee	\$73.00
Lost or Destroyed Dog Traps	Fixed Fee	\$355.00

Department\Deleted Service Fee	Current Fee	Reason
<b>Public Works</b>		
<b>Animal Services</b>		
Lost or Destroyed Traps	\$90.00	In accordance with County of Riverside Animal Services Fees

Public Works Parking Bail

Public Works has added a late fee structure for Parking Bail ranging between \$23 and \$100. The attached schedule notes recommended late fee levels per parking bail violation.

Public Works Refuse

The Public Works Refuse Division has added a new Contamination Fee in Recycling/Organics within the Residential Solid Waste category to address repeated contamination of trash, recycling or organics carts. This fee will be assessed upon the third documented instance of contamination occurring on separate collection dates and across applicable categories, including the presence of non-recyclable materials, improper disposal in organics carts, or other violations of established sorting guidelines. The added fee is intended to promote proper waste-sorting practices, reduce operational costs, improve the quality of collected materials, and support compliance with state and local waste-diversion mandates, including the requirements of SB 1383, thereby enhancing the overall efficiency and long-term sustainability of the City's solid waste programs.

New Service Fee	Fee Description	Proposed Fee (2026/27)
<b>Public Works</b>		
<b>Refuse</b>		
<b>Residential</b>		
Contamination Fee in Recycling/Organics Container for Three or More Collection Dates	Fixed Fee	\$16.92

**FISCAL IMPACT:**

Fees and charges are intended to offset the cost of providing the services rendered; however, the actual recovery of costs varies per fee. Staff estimate an increase of General Fund revenue of approximately \$862,000 in FY 2026/27 associated with recommended CPI increase, which are included in the proposed FY 2026-2028 biennial budget. Fiscal impact of new fees are unknown given that there is no baseline level of data to determine anticipated volume.

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Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Ordinance
2. FY 2026/27 Master Fees & Charges Schedule