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

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
- 3rd Party Costs
- Material Costs

Department Overhead
- Operational Costs
- Administrative functions- Finance

Central Service Overhead
- Human Resources
- Finance

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.

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

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%.

Study Finding by Department/Division/Fund

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

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					
Building and Safety	79	6	29	53	2
Planning	54	5	11	6	7
Public Works					
Engineering and Maintenance	217	5	39	20	1
Refuse	0	0	0	31	0
Parks, Recreation, & Comm Svcs					
Plan Check	0	0	0	13	0
Totals:	**350**	**16**	**79**	**123**	**10**

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.

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.

STRATEGIC PLAN ALIGNMENT

HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS

Community Trust

Equity

Innovation

Fiscal Responsibility

Sustainability and Resiliency

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.