

User Fee Report Presentation

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April 30, 2019 Stakeholder Workshop



Agenda

- Goals
- Background & Considerations
- Process
- DRAFT Fee Schedules
- Planning Summary
- Building Summary
- Public Works Summary
- Next Steps
- Q & A

Goals

1) Simplicity

- Eliminated/combined similar fees
- Moved away from percentage fees → flat/hourly
 - Base deposit + hourly rate reflect actual cost
 - Set maximum fee amount

2) Code Compliance & Safety

- Subsidized some fees to encourage compliance

3) Competitive fees to encourage development

- Aligned fees with neighboring jurisdictions
- Hourly rates meet the need of individual applicants

Background

California State Law, Government Code 66014(a)

- States that user fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged
 - There is no prohibition to charging less than the estimated reasonable cost for a particular fee

Proposition 26 “Stop Hidden Taxes Initiative”

- Clarifies that a charge imposed for a specific benefit or privilege that is not provided to those not charged, and which does not exceed the reasonable cost, is not a tax

Considerations

- Undertake a User Fee Study
- Evaluate policy cost recovery levels
- Reduce General Fund Subsidy
 - City currently under-recovers costs
- Maintain accessibility
- Remain competitive with surrounding cities
- Services should remain affordable
- Streamline fees
- Evaluate recommendations for fee alignment
- Recommend implementation of any new fees

Process for Establishing “Estimated Reasonable Cost”

- Average time requirement **X** fully burdened hourly rates
 - Utility fees include the cost of the meter
- Interview City staff directly involved with fee services
- Calculate fully burdened hourly rates
 - Salary and benefits
 - Materials and supplies
 - Department Administration OH
 - Clerical, Department Manager
 - City Administration OH
 - Finance, City Attorney, Human Resources, etc.
- Conduct fee comparison survey

DRAFT Fee Schedules

- DRAFT Development and Non-Development Schedules
 - Includes current fee and proposed fee amount
- Excluded:
 - consumption or rate-related utility charges
 - development impact fees
 - taxes (business license)
 - other non-City agencies fees
- Suggest increases in areas of under-recovery
- Consolidation & Simplicity

Planning Summary

- Streamlined & Removed Duplicate Fees
 - 45+ Fee Line Items Removed
 - No Differentiation for Mare Island
- Some fees: Flat → Deposit + Hourly
 - Maximum Cap Set
- Reduced Fees Reflect Process Improvements
- Added Penalty/Fine for Code Non-Compliance

Building Summary

- Subsidized some fees for safety-related permits
- Fees for “Work without permit” increased
- CASp Accessibility Inspections offered to the public
- \$30 permit issuance fee
- 12% surcharge on all services
 - Except solar

Public Works Summary

- Reduced some fees to encourage infrastructure improvements and ADA compliance
 - (e.g. sidewalk permit)
- Implementing Time & Materials fee structure for better equity
- Several low frequency service fees left unchanged

Next Steps

- Collect feedback
 - Open City Hall
- Update Fee Schedules based on feedback
- Hold Public Hearing
- Receive City Council direction
- Council Vote (date to be determined)
- Establish fees effective date
- Develop Incentive & Amnesty Package for Council consideration

Questions

