RECOMMENDATION
Staff recommends that the City Council approve the proposed changes to the Municipal Fee Schedule for fiscal year 2004-05.

DISCUSSION
This staff report transmits the proposed Municipal Fee Schedule for fiscal year 2004-05. Changes to the Municipal Fee Schedule are shaded and deleted text is lined through.

The fee increases vary depending on such factors as staffing costs and increasing expenses for cost-recovery operations. An explanation of all increases is detailed in Attachment A. The major changes to the 2004-05 Municipal Fee Schedule include:

The Planning and Community Environment Department is proposing a number of cost recovery-related fee increases for development-related permits and inspection plan reviews. The total projected revenue impact of these fee changes is approximately $135,000. In accordance with state law, these fees cannot go into effect until sixty days after Council adoption, which is August 13, 2004.

1. Proposed golf fee increases are based on full cost recovery for Golf Course expenses, including the repayment of the bond issuance that has financed capital work on the course. Revenues are expected to increase approximately $25,000.

2. The Refuse Fund is proposing a new fee to offset the costs of administering the new construction and demolition program. The revenue impact to this fund is approximately $84,000.

3. The Fire Department is proposing a 10-50 percent increase to recover increased costs of
services related to various inspection, investigations, and hazardous materials fees. The revenue impact of the increases will be evaluated at mid-year.

4. The Community Services Department is proposing a 15 percent non-resident surcharge for arts and recreational classes. The revenue impact is unknown and will be assessed at mid-year.

**RESOURCE IMPACT**
Approval of the Municipal Fee Schedule with proposed amendments will result in a net revenue increase of approximately $251,000 when compared to the 2003-04 Adjusted Budget. Of this amount, $167,000 represents General Fund revenue, and $84,000 represents Refuse Fund revenue. All fees in the 2004-05 Municipal Fee Schedule are intended to recover costs associated with City departments providing these services. Please note that while some budgeted revenue increases result from fee increases, other increases are the result of higher volume, not increased fees. These revenue impacts are summarized in the resource level change tables contained within each departmental section of the 2004-05 Proposed Budget.

**POLICY IMPLICATIONS**
These recommendations are consistent with existing City policies.

**ENVIRONMENTAL ASSESSMENT**
Adjustment to the Municipal Fee Schedule does not constitute a project for the purposes of the California Environmental Quality Act.

**ATTACHMENTS**
Attachment A: Summary of Proposed Changes to the 2004-05 Municipal Fee Schedule  
Attachment B: Proposed 2004-05 Municipal Fee Schedule

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