TO: HONORABLE CITY COUNCIL

ATTENTION: FINANCE COMMITTEE

FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: MAY 24, 2005 CMR: 241:05

SUBJECT: PROPOSED AMENDMENTS TO 2005-06 MUNICIPAL FEE SCHEDULE

RECOMMENDATION
Staff recommends that the City Council approve the proposed changes to the Municipal Fee Schedule for fiscal year 2005-06.

DISCUSSION
This staff report transmits the proposed Municipal Fee Schedule for fiscal year 2005-06. 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 2005-06 Municipal Fee Schedule include:

1. The Planning and Community Environment Department is proposing a number of fee increases for development-related permits and inspection plan reviews. As part of the 2005-07 budget process, staff completed a cost recovery analysis of services provided at the Development Center. The fee adjustments included in this fee schedule bring the Development Center to the Council’s mandated 100 percent cost recovery level. The total projected revenue impact of these fee changes is approximately $526,773. In accordance with state law, these fees go into effect sixty days after Council adoption, which is August 13, 2005.

2. The Community Services Department is proposing a few new fees and is proposing to increase some existing fees to recover costs of providing services.

3. The Fire Department is proposing increases to certain fees to cover negotiated salary increase and benefit cost increases.

4. The Human Resources Department has adjusted the proposed training classes offered in the fee schedule to accommodate the changing needs of the City.

5. The Police Department is proposing increases to various fees.
6. The Refuse Fund is proposing a new pallet fee, eliminating the tree book and television and computer monitors’ fees, and increasing other fees to bring them in-line with cost recovery levels.

**RESOURCE IMPACT**
Approval of the proposed changes to the Municipal Fee Schedule are projected to result in a net General Fund revenue increase of approximately $946,714 when compared to the 2004-05 Adjusted Budget. All fees in the 2005-06 Municipal Fee Schedule are intended to recover costs associated with City departments providing these services. 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 2005-06 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.

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**ATTACHMENTS**
Attachment A: Summary of Proposed Changes to the 2005-06 Municipal Fee Schedule
Attachment B: Proposed 2005-06 Municipal Fee Schedule