

STAFF REPORT

DATE: May 31, 2011
TO: City Council
FROM: Gail Buller, Financial Services Manager
SUBJECT: FY2011/12 Proposed Changes to Fees and Charges

Recommendation

1. Hold a Public Hearing
2. Approve Resolution Approving Changes to Certain Fees and Charges for the Provision of Services by City Departments
3. Approve Resolution Approving Changes to Certain Fees and Charges for the Provision of Services by the Department of Community Development and Sustainability Planning Division and Public Works Developer Fees

Summary

A major element of the City Manager's FY2011/12 Proposed Budget is the review and update of fees. While the revenues anticipated by proposed increases to various fees have been reflected in the FY2011/12 Proposed Budget, a separate action by the City Council is required to implement any new fee or changes to existing fees. A Public Hearing is scheduled to review specific fee proposals and consider public input prior to adoption by the City Council.

Council Goals

Achieve long-term financial stability

Fiscal Impact

The fee recommendations contained in this report for help generate \$6,911,639 in departmental revenues that are included in the revenue estimates used to develop the FY2011/12 Proposed Budget. This level of departmental revenue represents an increase of 13% above the departmental revenues estimated for FY2010/11. It should be noted that these revenues reflect not only the proposed fee increases, but also changes in underlying level of program activity, and the establishment of new fees.

The following table summarizes the changes in departmental revenues included in the FY2011/12 budget over all funds:

Departmental Fee Revenues-All Funds					
Department	FY 09-10 Actual	FY 10-11 Adjusted Budget	FY 10-11 Estimate	FY 11-12 Preliminary Budget	% Change
Community Services	\$ 2,446,074	2,411,459	2,444,502	2,604,791	7%
Comm Dev & Sustnblty	1,773,332	1,971,734	1,924,350	2,623,230	36%
City Manager's Office	431,051	46,510	51,682	47,942	-7%
Public Works	490,133	469,050	479,066	455,768	-5%
Fire	871,086	813,775	852,536	847,361	-1%
Police	350,300	335,476	343,664	332,547	-3%
Total	\$ 6,361,976	\$ 6,048,004	\$ 6,095,800	\$ 6,911,639	13%

Background and Analysis

Departmental fees are reviewed each year in conjunction with development of the annual budget. The goal of this review is ensuring that fees are adjusted regularly, as appropriate, in relation to program costs and goals related to level of cost recovery.

The following recaps efforts undertaken to date related to fee proposals included in the FY2011/12 Proposed Budget:

- The Finance Department established baseline revenue projections for FY2011/12, to include a 2.85% across-the-board increase in service fees charged by departments, based on estimates of increases in fee-funded program expenditures.
- The budget instructions provided to departments to guide development of the FY2011/12 Proposed Budget included a requirement that all departments review fees, consider specific increases required in support of the target 2.85% increase in fee revenues, and provided a process/framework for justification of possible fee increases.
- Subsequently, individual departments in conjunction with their FY2011/12 budget submittals submitted proposed various and specific fee increases. Fee increases proposed by departments were requested to be supported by a fee analysis worksheet which summarized program costs, extent of current fee-based cost recovery, and –where available – comparisons of like fees with other jurisdictions.
- Finance Department staff reviewed and consulted with departments to ensure revenue estimates were consistent with proposed fees, and that fees were covering all possible costs.

A set of draft cost recovery goals was applied to each of the proposed fees presented for adoption in this report. The goals are broadly defined as follows:

Recovery Category	Description
Low	<i>Should recover no less than 0% to 40% of cost</i> Provide Community-wide benefit Enhance the health, safety, and livability of the Community
Medium	<i>Should recover no less than 40% to 80% of cost</i> More specialized activity Fulfill a specific interest or need
High	<i>Should recover no less than 80% to 100% of cost</i> Programs or activities offered to generate revenue Offered as individual convenience

Included fees, and proposed changes recommended for FY2011/12 were reviewed in context of underlying program costs and implied cost recovery levels. A determination was made as to whether each proposed fee meets its stated goal, and is expressed either as a percentage or as a judgment by staff as to where the level of cost recovery falls. Both the goal and the cost recovery level achieved are presented with each fee change proposal.

Attachments

1. A - Proposed Changes to Fees and Charges
2. B - Proposed Changes to Development Fees and Charges
3. Resolution – City Department Fees
4. Resolution – Development-related Fees



**City of Davis
Proposed Changes
to
Fees and Charges**

**Attachment A
May 31, 2011**

Department of Community Development and Sustainability

FY 09-10 Actual Revenue	FY 10-11 Budget Revenue	FY 10-11 Estimate Revenue	FY 11-12 Preliminary Budget Revenue
\$ 1,773,332	\$ 1,971,734	\$ 1,924,350	\$ 2,623,230
Growth/Decline			36%

Comments

- Growth is primarily within the Building Fund, from expected permit revenues, also from new CALGreen Verification/Compliance fee, charged to offset cost of mandated plan review and inspections.
- Revenue totals above include all funds.

CITY OF DAVIS

BUILDING DIVISION FEE SCHEDULE

	Fee (\$)		% Change	Cost Recovery	
	Current	Proposed *		Goal	% or Est
PROGRAMS/SERVICES					
B. FEES FOR BUILDING PLAN CHECK					
Master Plan	\$175.00	\$300.00	71%	HIGH	100%
Stock Plan Fee	\$175.00	\$300.00	71%	HIGH	100%
D. HOURLY RATES					
Building Mgt/Supervisor	\$172.00	\$ 183.00	6%	HIGH	100%
Technical Support	\$77.00	\$ 82.00	6%	HIGH	100%
E. SPECIAL INSPECTIONS AND OTHER SERVICE FEES					
CALGreen Building Verification/Compliance (percentage applied to new and altered permit fees which includes the Plan check, Building permit and Site permit fees.	Residential	New Fee	14% OF PERMIT FEES	HIGH	100%
	Commercial	New Fee	5% OF PERMIT FEES	HIGH	100%

* Effective 7/1/2011

CITY OF DAVIS PLANNING DIVISION FEE SCHEDULE

	Fee (\$)			Cost Recovery		
	Current	Proposed *	% Change	Goal	% or Est	
PROGRAMS/SERVICES						
K. DOCUMENTS						
(Scanned in-house)	8 1/2 x 11	\$0.30	\$0.50	67%	HIGH	100%
	All other sizes	\$0.35-\$23.50	\$2.00	n/a	HIGH	100%

* Effective 7/1/2011

Community Services

FY 09-10 Actual Revenue	FY 10-11 Budget Revenue	FY 10-11 Estimate Revenue	FY 11-12 Preliminary Budget Revenue
\$ 2,446,074	\$ 2,411,459	\$ 2,444,502	\$ 2,604,791
Growth/Decline			7%

Comments

- Changes to fees have been prepared in a manner consistent with the Community Services Cost Recovery Plan.
- Revenue totals include revenues from recreation fees adopted November 30, 2010.
- Growth is largely the result of transfer of Historic City Hall lease revenue from RDA program/fund to Community Services.
- Revenue totals above include all funds.

CITY OF DAVIS COMMUNITY SERVICES FEE SCHEDULE

	Fee (\$)			Cost Recovery		
	Current (10-11)	Proposed (11/12) *	% Change	Goal	% or Est	
PROGRAMS/SERVICES						
N. PARKS & TREES SERVICES						
Tree Modification: 1 - 3 trees	Residential/Commerical/Multi Family	\$129.00	\$130.00	1%	High	100%
Tree Modification: each add'l tree	Residential/Commerical/Multi Family	\$23.00	\$25.00	9%	High	100%
Street Tree Fee	/ Tree	\$221.00	\$227.00	3%	High	100%
Parks & Greenbelt Damage Inspection Fee		\$180.00	\$192.00	7%	High	100%

* Effective 7/1/11

City Manager's Office

FY 09-10 Actual Revenue	FY 10-11 Budget Revenue	FY 10-11 Estimate Revenue	FY 11-12 Preliminary Budget Revenue
\$ 431,051	\$ 46,510	\$ 51,682	\$ 47,972
Growth/Decline			-7%

Comments

- The FY 11-12 decline is due primarily to decreased donations for the Amgen Bike Tour event.
- Revenue totals above include all funds.

CITY OF DAVIS

CITY MANAGERS DEPARTMENT FEE SCHEDULE

Service Activity	Fee (\$)		% Change	Cost Recovery	
	Current	Proposed*		Goal	% or Est
Loan Subordination Fee	\$100.00	\$120.00	9%	HIGH	100%
Query Reports	\$70.00	\$85.00	22%	HIGH	100%
Business License Reports	\$50.00	\$70.00	40%	HIGH	100%

* Effective 07/1/11

Fire Department

FY 09-10 Actual Revenue	FY 10-11 Budget Revenue	FY 10-11 Estimate Revenue	FY 11-12 Preliminary Budget Revenue
\$ 871,086	\$ 813,775	\$ 852,536	\$ 847,361
Growth/Decline			-1%

Comments

- Most revenue is generated by contracts with neighboring fire districts, plan checks, and inspections.
- Decline is due primarily to a decrease in Commercial Fire Sprinkler Systems revenue.
- Revenue totals above include all funds.

CITY OF DAVIS

FIRE DEPARTMENT FEE SCHEDULE

	Fee (\$)		% Change	Cost Recovery		
	Current	Proposed*		Goal	% or Est	
A. ENGINE COMPANY INSPECTIONS						
Subsequent Inspection w/Fire Marshall	\$160.00	\$164.00	3%	HIGH	100%	
B. OTHER INSPECTIONS						
Fire Safety Inspections	Social & Health Services	\$160.00	\$164.00	3%	HIGH	100%
	Special Inspections at Fire Marshall's Discretion	\$160.00	\$164.00	3%	HIGH	100%
C. FIRE CODE PERMITS						
Fireworks		\$479.00	\$491.00	3%	HIGH	100%
Open Flame Activities		\$160.00	\$164.00	3%	HIGH	100%
Flammable Combustible Tanks	Installation	\$319.00	\$327.00	3%	HIGH	100%
	Removal	\$319.00	\$327.00	3%	HIGH	100%
Tent Structure / Temporary Air Supported Structures		\$319.00	\$327.00	3%	HIGH	100%
Model Rocket Use		\$160.00	\$164.00	3%	HIGH	100%
D. FIRE PROTECTION SYSTEMS PLAN REVIEW/INSPECTION						
Sprinkler Systems	0 - 200 Heads	\$548.00	\$562.00	3%	HIGH	100%
	201+ Heads	\$708.00	\$725.00	3%	HIGH	100%
Residential Sprinklers		\$458.00	\$469.00	3%	HIGH	100%
Fire Dept Sprinkler/Hydrant Line		\$479.00	\$491.00	3%	HIGH	100%
Sprinkler Water Flow Data		\$319.00	\$327.00	3%	HIGH	100%
Fire Alarm System		\$479.00	\$491.00	3%	HIGH	100%
Kitchen Hood System		\$319.00	\$327.00	3%	HIGH	100%
H. OTHER						
Copy of Fire Reports		\$39.00	\$41.00	5%	HIGH	100%

* Effective 7/1/2011

Police Department

FY 09-10 Actual Revenue	FY 10-11 Budget Revenue	FY 10-11 Estimate Revenue	FY 11-12 Preliminary Budget Revenue
\$ 350,300	\$ 335,476	\$ 343,664 *	\$ 332,547 *
Growth/Decline			-3%

* Excludes Public Safety Charge and Moving Violations

Comments

- Revenue decrease is due primarily to a decline in the amount of Extradition Reimbursement revenue, and decreased planned expenditures in the Explosive Ordnance program.
- Revenue totals above include all funds.

CITY OF DAVIS

POLICE DEPARTMENT FEE SCHEDULE

Service Activity	Fee (\$)		% Change	Cost Recovery		
	Current	Proposed*		Goal	% or Est	
SPECIAL POLICE SERVICES						
Audio Tape Copy (per half hour of tape)	\$30.00	\$38.00	27%	High	100%	
Video Tape Copy (per tape)	\$26.00	\$33.00	27%	High	100%	
Photog Digital Photos on CD-R	\$26.00	\$33.00	27%	High	100%	
Off Duty Police Security (Per Hour)	\$69.50	\$67.50	-3%	High	100%	
Parking Permits	Temporary Permits Weekly	\$5.00	\$8.00	60%	High	100%
	Replacement Permits	\$3.00	\$10.00	233%	High	100%
Alarms	False Alarm Fee (7th alarm)	\$40.00	\$80.00	100%	High	100%
	False Alarm Fee (8th alarm)	New Fee	\$160.00		High	100%
	False Alarm Fee (9+ alarms)	New Fee	\$250.00		High	100%
Noise Permit	\$25.00	\$30.00	20%	High	100%	
ABC Letter	ABC Letter Permit Fee	\$21.00	\$22.00	5%	High	100%
Local Criminal History Summary		\$18.00	\$23.00	28%	High	100%
Juvenile Arrest Information Release		\$21.00	\$40.00	90%	High	100%
Local Criminal History Summary		\$30.00	\$25.00	-17%	Mandated Rate	
Premise History (per address)		\$20.00	\$33.00	65%	High	100%
No Parking Signs		\$1.00	\$2.00	100%	High	100%
Open Container Permit 1-10		\$11.00	\$34.00	209%	High	100%
Open Container Permit 11+		\$30.00	\$34.00	13%	High	100%

Effective 7/1/2011

Public Works Department

FY 09-10 Actual Revenue	FY 10-11 Budget Revenue	FY 10-11 Estimate Revenue	FY 11-12 Preliminary Budget Revenue
\$ 490,133 *	\$ 469,050	\$ 479,066 *	\$ 455,768 *
Growth/Decline			-5%

* Excludes Sanitation, Sanitary Sewer, Water, Drainage, and Storm Sewer User Fee Revenue.

Comments

- The decrease is primarily due to the decline of encroachment permits.
- Revenue totals above include all funds.

CITY OF DAVIS

PUBLIC WORKS FEE SCHEDULE

Service Activity	Fee (\$)		% Change	Cost Recovery		
	Current	Proposed*		Goal	% or Est	
A. ENCROACHMENT PERMITS						
Encroachment Permit - General	\$227	\$244	7%	HIGH	100%	
Utility Service Connection	Without Water Meter	\$227	\$243	7%	HIGH	100%
Street	Less than 50 L. F.	\$225	\$240	7%	HIGH	100%
	50 to 900 L. F.	\$308	\$328	6%	HIGH	100%
	More than 900 L. F.	\$617	\$661	7%	HIGH	100%
Public Right-of-Way Use		\$217	\$233	7%	HIGH	100%
Concrete Encroachment Permit - Limited Extent		\$288	\$310	8%	HIGH	100%
Concrete Encroachment Permit - Major Extent		\$430	\$466	8%	HIGH	100%
Street Openings	Non-Trench	\$285	\$312	9%	HIGH	100%
	Per 100 L.F.	\$494	\$536	9%	HIGH	100%
	6" Trenches by Wheel Trencher, per 100 L.F.	\$245	\$266	9%	HIGH	100%
Bore Under Street, Per Bore	Per 100 L.F.	\$241	\$261	8%	HIGH	100%
Collections Connection		\$246	\$265	8%	HIGH	100%
Storm Drain Tie-Ins		\$265	\$285	8%	HIGH	100%
Sidewalk Crossing With Construction Equipment		\$255	\$274	7%	HIGH	100%
Encroachment Permit - Greenbelt or City Landscape for Const Access		\$471	\$514	9%	HIGH	100%
General Inspection		\$129	\$139	8%	HIGH	100%
Fire Hydrant Use & Inspection	\$252 + \$1500 Tag Dep	\$273 + \$1500 Tag Dep	8%	HIGH	100%	
D. SUBDIVISION CONSTRUCTION INSPECTION						
Subdivision Signage	Without Pole	\$101	\$114	13%	HIGH	100%
	With Pole	\$142	\$178	25%	HIGH	100%
Water Meter Permit	Commercial	\$286	\$303	6%	HIGH	100%
	Residential	\$140	\$146	4%	HIGH	100%
Water Well Permit - Construction, Modification, or Destruction		\$364	\$393	8%	HIGH	100%
Water Well Permit - Bi-Annual		\$73	\$81	11%	HIGH	100%
Backflow Permit	New Construction	\$307	\$334	9%	HIGH	100%
	Certification	\$160	\$167	4%	HIGH	100%

* Effective 7/1/11

(1) Construction cost based on value of improvements subject to PW review and inspection

(2) Public improvements in place to serve project, no Improvement Agreement required

(3) Improvement Agreement required



City of Davis
Proposed Changes
to
Development Fees and Charges

Attachment B
May 31, 2011

CITY OF DAVIS

PLANNING DIVISION FEE SCHEDULE

Service Activity		Fee (\$)			Cost Recovery	
		Current	Proposed*	% Change	Goal	% or Est
A. HOURLY						
Hourly Rates	Technical Support	\$77.00	\$82.00	7%	High	100%
	Planner	\$152.00	\$169.00	12%	High	100%
	Management/Supervisor	\$180.00	\$189.00	5%	High	100%

* Effective July 31, 2011

CITY OF DAVIS

PUBLIC WORKS FEE SCHEDULE

Service Activity		Fee (\$)			Cost Recovery	
		Current	Proposed*	% Change	Goal	% or Est
C. SUBDIVISION MAP REVIEW						
Hourly Rates	Technical Support (hr)	\$77.00	\$82.00	7%	High	100%
	Engineer/Professional Services (hr)	\$152.00	\$169.00	12%	High	100%
	Management/Supervision (hr)	\$180.00	\$189.00	5%	High	100%

* Effective July 31, 2011

RESOLUTION NO. 11-XXX, SERIES 2011

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS
APPROVING CHANGES TO CERTAIN FEES AND CHARGES FOR THE PROVISION
OF SERVICES BY CITY DEPARTMENTS**

WHEREAS, the City has reviewed proposed changes to certain fees and charges for services provided by departments of the City; and

WHEREAS, the City has published a notice of a public hearing on the proposed fees and charges.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Davis hereby resolves:

Section 1. The changes to the fees and charges set forth are hereby adopted and shall become effective July 1, 2011.

PASSED AND ADOPTED by City Council of the City of Davis on this 31st day of May, 2011 by the following vote:

AYES:

NOES:

Joseph F. Krovoza
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

RESOLUTION NO. 11-XXX, SERIES 2011

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS
APPROVING CHANGES TO CERTAIN FEES AND CHARGES FOR THE PROVISION
OF SERVICES BY THE DEPARTMENT OF COMMUNITY DEVELOPMENT AND
SUSTAINABILITY PLANNING DIVISION AND PUBLIC WORKS DEVELOPER FEES**

WHEREAS, the City has reviewed proposed changes to certain fees and charges for services provided by the Department of Community Development and Sustainability Planning Division and Public Works developer fees of the City; and

WHEREAS, the City has published a notice of a public hearing on the proposed changes to the listed fees and charges.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Davis hereby resolves:

Section 1. The changes to fees and charges for the Department of Community Development and Sustainability, Planning Division and the Public Works developer fees set forth on Attachment B is hereby adopted and shall become effective 60 days from this date on July 31, 2011.

PASSED AND ADOPTED by City Council of the City of Davis on this 31st day of May, 2011 by the following vote:

AYES:

NOES:

Joseph F. Krovoza
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk