



**CITY OF FILLMORE**  
CENTRAL PARK PLAZA  
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TO: Mayor and City Council

DATE: February 13, 2018

FROM: Gaylynn Brien, Finance Director

**SUBJECT: PUBLIC HEARING REGARDING UPDATES TO THE "SCHEDULE OF FEES AND CHARGES FOR CITY SERVICES" TO ADD NEW FEES AND REVISE THE ADMINISTRATIVE CHARGE**

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#### **REQUEST**

That the City Council receive the proposed additions to the Schedule of Fees and Charges for City Services; conduct a public hearing to obtain comments concerning the additions and/or changes; and consider adopting Resolution 18-3626 to add utility deposit amounts, a bulk water fee and RV/trailer parking fees, revise the administrative charge and restate some of the fees previously established and set forth in the City's Schedule of Fees and Charges.

#### **DISCUSSION**

##### **WATER AND SEWER UTILITIES**

On January 23<sup>rd</sup>, the City Council approved two ordinances, Ordinance No. 17-886 for Potable Water and Ordinance No. 17-885 for Sanitary Sewer. These ordinances authorized the fees, rates and overhead charges shown in Ordinance No. 10-821, for Potable Water, and Ordinance No. 10-822, for Sanitary Sewer, to be established and revised by resolution of the City Council. Because of this change, a comparison of the fees originally shown in the above ordinances and all fees included in the City's comprehensive fee resolution are in the table below:

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<b>Fees to Establish by Resolution and Add to the Schedule of Fees and Charges</b>	
<b>Section Changed</b>	<b>Fee to be Established by Resolution</b>
<b>Rates and/or Fees that need to be Added or Updated by Resolution (in the Schedule of Fees and Charges):</b>	
Deposit Amounts	Need to Add by Resolution to the Schedule of Fees and Charges for City Services Under General Services
Blanket Permit for Bulk Water	Need to Add by Resolution to the Schedule of Fees and Charges for City Services Under General Services
Administrative Charge (Previously Titled Overhead Rate)	Need to Change by Resolution in the Schedule of Fees and Charges for City Services Under General Services
<b>Fees Previously Established by Resolution (and Shown in the Schedule of Fees and Charges)</b>	
Cost of Connection of Work	Exists by Resolution in the Schedule of Fees and Charges under Public Works
Set Up Fee	Exists by Resolution in the Schedule of Fees and Charges under General Services
RV Sewage Dump Station Fee	Exists by Resolution in the Schedule of Fees and Charges under General Services
Charges for Delinquent Accounts and Reconnection Fees	Exists by Resolution in the Schedule of Fees and Charges under General Services
NSF Charge	Exists by Resolution in the Schedule of Fees and Charges under General Services
Deposits for Bulk Water Service	Exists by Resolution in the Schedule of Fees and Charges under Public Works
Equipment Deposit and Rental Fees	Exists in the Schedule of Fees and Charges under Public Works

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Water and sewer deposit amounts for new accounts and a bulk hydrant annual meter rate also need to be added to the City's comprehensive fee resolution and the administrative (overhead) charge needs to be updated. Below are two tables that provide the proposed changes and a table of the fees and rates that were previously established by resolution and included in the Schedule of Fees and Charges.

*Deposit Amounts*

The deposit amounts to add, including proposed changes, are shown below:

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<b>Proposed New Fees and Changes:</b>					
<b>General Services</b>					
<b>February 13, 2018 (Effective March 16, 2018)</b>					
<b>Water and Sewer Utility</b>					
<b>Fee Type</b>		<b>Fee Description</b>		<b>Current Amount</b>	<b>Proposed Amount</b>
<b>Water Utility Deposit:</b>					
<b>Residential Customer:</b>					
	Single Family Resident			\$50.00	\$75.00
	Multi Family Resident		One meter serving multiple dwellings	\$50.00	\$75.00 for first dwelling unit Plus \$50.00 for each additional dwelling unit up to maximum 100 units
<b>Non-Residential Customer:</b>					
	Tier 1	Based on Water Usage (Average 10 - 25 Units Per Month)	All Other Non-Residential Customers	\$50.00	\$75.00
	Tier 2	Based on Water Usage (Average > 25 Units Per Month)	Laundromat, Grocery Store, Large Retail, Packing House, Restaurant, Bakery, School and Irrigation Customers	\$50.00	\$500.00
<b>Sewer Utility Deposit:</b>					
<b>Residential Customer:</b>					
	Single Family Resident			\$100.00	\$125.00
	Multi Family Resident		One meter serving multiple dwellings	\$100.00	\$125.00 for each dwelling unit
<b>Non-Residential Customer:</b>					
	Tier 1	Based on Strength Factor (Generally <1.0 and Low Volume)	All Other Non-Residential Customers	\$100.00	\$125.00
	Tier 2	Based on Strength Factor (Generally >1.0 and/or High Volume)	Laundromat, Grocery Store, Large Retail, Packing House, Restaurant, School and Bakery Customers	\$100.00	\$500.00
<b>Administrative Charge</b>					
	Administrative Charge		Added to billings and other services provided to recover administrative personnel cost	25%	FAHR of personnel

The utility deposit amounts are being added to the Schedule of Fees and increased to reflect the higher utility rates approved last year and the consequent need to cover additional amounts in case of non-payment.

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For comparison, the following are the proposed utility deposit amounts for the City of Fillmore compared to Santa Paula, Port Hueneme and Camarillo:

	<b>Proposed Amount</b>			
	<b>Fillmore</b>	<b>Santa Paula</b>	<b>Port Hueneme</b>	<b>Camarillo</b>
<b><u>Residential</u></b>				
Water	\$ 75	\$ 100	\$ 100	\$ 60
	Plus \$50 per dwelling unit			
Sewer	\$ 125	\$ 72		\$ 25
	Per dwelling unit		Sewer is unknown	Plus \$20 per dwelling unit
<b>Total</b>	<b>\$ 200</b>	<b>\$ 172</b>	<b>\$ 100</b>	<b>\$ 85</b>
<b><u>Non-Residential</u></b>				
Water (Small Cust)	\$ 75	\$ 100		\$ 80
Sewer (Small Cust)	\$ 125	\$ 170		\$ 100
<b>Total (Small Cust)</b>	<b>\$ 200</b>	<b>\$ 270</b>	<b>\$ -</b>	<b>\$ 180</b>
Water (Large Cust)	\$ 500	\$ 2,000		\$ 900
Sewer (Large Cust)	\$ 500	\$ 2,328		\$ 1,000
<b>Total (Large Cust)</b>	<b>\$ 1,000</b>	<b>\$ 4,328</b>	<b>\$ -</b>	<b>\$ 1,900</b>
		Water and Sewer depends on size of meter	Unknown	Sewer Equals 1.25 times the expected bill

Based on this comparison, staff believes that the deposit amounts requested by the City are reasonable compared to other cities in Ventura County yet more sufficient to protect the City in the case of nonpayment by a customer. The combined residential water and sewer deposit is proposed to increase to \$200 from the current amount of \$150, with the water deposit changing from \$50 to \$75 and the sewer deposit changing from \$100 to \$125. The proposed water deposit is lower than Santa Paula and Port Hueneme, but the residential proposed sewer deposit is higher, which is due to the City of Fillmore having higher sewer utility rates than the other cities used in the comparison. The total non-residential deposit for the City is comparable for a small customer, but much lower than the other cities for a large customer. The City

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previously charged \$150 for large non-residential customers and now proposes to increase this to \$1,000, which is the first step to raising the deposit to a more accurate amount. The other cities base their non-residential amounts on either the meter size or the amount of the expected bill. The City of Fillmore's average non-residential water bill is about \$500 for a non-irrigation customer account and non-residential sewer bill is about \$1,320 per month. These deposit amounts will be reviewed periodically in the future to ensure the amount remains sufficient.

*Hydrant Meter and Administrative Charge*

Listed below are the annual hydrant (bulk) meter rate and administrative charge proposal:

<b>Proposed New Fees and Changes:</b>					
	<b>Fee Type</b>		<b>Fee Description</b>	<b>Current Amount</b>	<b>Proposed Amount</b>
<b>Public Works</b>					
57	Public Works	Annual Charge	Hydrant Rental Fee	New	\$700.00
<b>General Services - Administrative Charges</b>					
	Administrative Charge		Added to billings and other services provided to recover administrative personnel cost	25%	FAHR of personnel

The use of hydrant (bulk) meter currently has a rate of \$2.00 per day, however, the review of costs to provide this service determined that an annual rate was needed and it was calculated to be \$700 (\$2.00/day X 365 days in a year less a \$30 discount for paying annually).

Also proposed is a change to the administrative charge, previously referred to as an overhead rate. The administrative charge will change from 25% to a fully allocated hourly rate for the staff providing the services needed. This change will provide a more accurate charge. These services may pertain to reviewing and processing invoices, managing a contract and providing oversight for a capital improvement project or a developer project. This charge will be billed based on the staff performing the service (that staff member's hourly rate, times the amount of time spent performing the service).

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*Restating Existing Fees Shown in the Schedule of Fees and Charges*

The following table provides a list of the existing fees included in the current Schedule of Fees and Charges. This schedule was last updated in August 2016 and these fees are being restated at this time.

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<b>Existing Fees in Schedule of Fees and Charges for City Services:</b>				
<b>Water and Sewer Utility</b>				
<b>Fee No</b>	<b>Coordinating Dept</b>		<b>Fee Description</b>	<b>Amount</b>
<b>Set Up Fee</b>				
1	General Services		Utility Account Set-Up	\$30.00
2	General Services		Water Discontinuance Processing Fee - 1st Delinquent	\$70.00
3	General Services		Water Discontinuance Processing Fee - 2nd Delinquent	\$80.00
4	General Services		Water Discontinuance Processing Fee - 3rd Delinquent	\$90.00
5	General Services		Water Discontinuance Processing Fee - Customer Request - Turn On After Requested Shut Off	\$30.00
6	General Services		Sewage Dump Station - Resident Living in a Dwelling Unit Connected to the City's Public Sewer System (1 time per day)	\$0.00
7	General Services		Sewage Dump Station - Non Resident (1 time per day)	\$15.00
10	General Services		Returned Check Processing Fee Per Occurrence - Penalty set per CC 1719; \$35 each for 2+ occurrences	\$30.00
<b>Cost of Connection</b>				
12	Public Works	Permit	Sewer Lateral	\$225.00
13	Public Works	Permit	Water Service (Hot Tap)	\$225.00
18	Public Works	Permit (\$350 Deposit)	Water Service Installation (All Sizes) Requires water service interruption	FAHR of personnel & materials
19	Public Works	Permit (\$350 Deposit)	Hydrant Installation (Requires water service interruption)	FAHR of personnel & materials
20	Public Works	Permit (\$350 Deposit)	Meter/Hydrant Relocation (Requires water service interruption)	FAHR of personnel & materials
21	Public Works		Water Meter Test	\$84.00
29	Public Works		Unauthorized Use of Water - Penalty	\$254.00

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<b>Existing Fees in Schedule of Fees and Charges for City Services (Continued):</b>			
<b>Fee No</b>	<b>Coordinating Dept</b>	<b>Fee Description</b>	<b>Amount</b>
<b>Hydrant Meters</b>			
50	Public Works	Hydrant Meter Permit	\$200.00
51	Public Works	Per Day Hydrant Rental Fee	\$2.00
52	Public Works	Same as Utility Account Set-Up Hydrant Rental Setup	\$28.00
53	Public Works	Per Permit Hydrant Rental Water Deposit	\$300.00
54	Public Works	Hydrant Meter Equipment Deposit	\$1,200.00
<b>Equipment Rental</b>			
All Equipm ent	Public Works	Equipment Listed Hourly Rate plus FAHR of personnel	Varies

**POLICE SERVICES**

As part of the review of the Schedule of Fees and Charges, staff determined that two new fees under Police Services should be added. The following are the proposed new fees:

<b>Exhibit K</b>									
<b>Police Services</b>									
<b>February 13, 2018</b>									
Fee Number	Coordinating Department	Fee Description	Unit	Time Survey - Cost Build Up (in minutes)		Full Cost	Current Fee	Recovery Level (%)	Proposed Fee
				Finance/Central Support - Finance Technician	Police Services - Deputy				
				\$ 82.63	\$ 214.84				
32	Police	RV and/or Trailer Parking Permit (7 Days) for Visitor)	Each	0.15	0.1	\$33.88	New	60%	\$20.00
33	Police	RV and/or Trailer Parking Permit (72 Hours) for Resident	Each	0.15	0.1	\$33.88	New	0%	\$0.00

The first fee above pertains to the cost for a permit that will be required (and now enforced by the Police Department) for a visitor to park an RV or Trailer on a public

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street when visiting a Fillmore resident. A courtesy notice was mailed to residents in February to inform them that this law will be enforced as of March 1, 2018 and that permits may be obtained at City Hall during the weekday and at the Police Station during the weekend and when City Hall is closed. The permit will cover a 7-day period and staff recommends that the cost of this permit be set at the rate of \$20.00.

Additionally, a permit is also required (and will now be enforced) to park an RV or Trailer owned by a Fillmore resident in front of their home for loading and unloading purposes. This permit will cover a 72-hour time-period and staff recommends that these permits be issued at no cost (\$0).

*Public Notice*

The public hearing for the February 13, 2018 City Council meeting was properly noticed in the Fillmore Gazette on both February 1, 2018, and February 8, 2018. The Schedule of Fees and Charges has been available during such times at the office of the City Clerk for review by residents of the City.

Upon approval of the proposed changes to the Schedule of Fees and Charges for City Services the effective dates for the new fees are as follows:

- 1) Development related fees, found under Public Works require a 60-day waiting period. These fees will consequently become effective on April 16, 2018.
- 2) The utility deposit amounts, General Services, Administrative Charge and Police Services fees will become effective on March 16, 2018.

**FISCAL IMPACT**

The change in the utility deposit amounts will help to ensure the City is properly covered in case of non-payment of utility bills. All other fee changes will ensure the City is paid to cover the cost to provide services.

**CITY COUNCIL GOAL**

This achieves the City Council goal to be fiscally responsible and achieve full cost reimbursement for providing City services when appropriate.

**RECOMMENDATION**

1. Council receive the proposed changes and/or increases to the Schedule of Fees and Charges for City Services;

Conduct a public hearing and obtain public comments concerning the proposed increases and changes to the Schedule of Fees and Charges for City Services. After receiving public comments, close the Public Hearing and City Council discussions;

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And adopt City Council Resolution 18-3626 to approve the updated  
Schedule of Fees and Charges for City Services.

**ATTACHMENTS**

Attachment 1: Resolution 18-3626 Changes to the Schedule of Fees and  
Charges