



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

**DATE:** August 9, 2016

**FROM:** Gaylynn Brien, Finance Director

**SUBJECT: Public Hearing to Adjust the "Schedule of Fees and Charges for City Services" and Adoption of City Council Resolution 16-3548 Regarding Adjusting City Fees**

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#### **REQUEST**

Request to receive the proposed adjustments that includes increases or decreases to existing fees and added fees for new services or eliminated fees for services no longer provided to the Schedule of Fees and Charges for City Services; conduct a public hearing to obtain comments concerning the proposed changes, and after receiving public comments, close the Public Hearing and City Council discussions; and adopt Resolution 16-3548 to approve the changes to the Schedule of Fees and Charges for City Services.

#### **DISCUSSION**

The City charges fees and charges for various city services pursuant to a fee schedule adopted in 2008. As part of the annual budget process, staff was asked to review the fee schedule pertaining to their respective departments. Staff discussed the latest version of the fee schedule and based on when the last full update of the fees was completed, in 2008, it was determined that a complete update of the fee schedule was needed. Consequently, staff hired Willdan Financial Services to assist the City in this process. Willdan has multiple years of experience developing and preparing fee schedules for various cities and agencies and staff correspondingly determined that Willdan would be the best choice for a consultant to use throughout this process.

One of the first things that Willdan did was create a financial model. The financial model identified a separate worksheet for each group of fees. These groups of fees include General Services, Film, Fire, Planning, Engineering, Community Services, Building & Safety, Code Enforcement, Public Works, City Attorney and Parking Citations. Each worksheet or group of fees comprise all of the fees associated with that group along with the hourly rates for each position involved in providing the

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service within that group. The financial model was used by staff to input both cost and time information so that the new fees could be developed.

The update process involved the key staff responsible for the group of fees, such as Public Works fees involved our Public Works Manager. The process was designed to ensure the fee or charge for City services accurately represented the reasonable costs to the City of providing such service or product. Each manager or responsible staff input their time and effort to perform the activity or service associated with the fee. The time and effort for each position or person involved to perform the activity or service was multiplied by their hourly rate to determine the actual total cost. The time and effort was based on 5 minute increments.

An example of this calculation is the new fee proposed for the set-up of a new utility account. The calculated cost is \$55.92. This is based on taking 10 minutes of a Fiscal Assistant II, plus 10 minutes of a Maintenance Worker I plus 2.5 minutes of a Public Works Supervisor to perform this task or service. These times by these positions were input into the model and multiplied by their corresponding position hourly rate to calculate the actual total combined cost of \$55.92. The current rate is \$20.00. The next steps required an analysis of how much of the fee should be subsidized by the General Fund (or other fund) and what amount should be recovered (identified as the recovery level in the model) by the receiver or payer of the service. In this case, when determining the set-up fee for a new utility account, it was determined that a portion of this cost is included in the water base rate and consequently a recovery level of 50% was used to create the suggested fee of \$28.00.

Pursuant to Article 13c, Sections (1)(e)(1) and (1)(e)(2), the City is authorized to charge new fees and charges, or increase existing fees and charges, for City services including those proposed with this Resolution, without voter approval so long as specific conditions are met. Under Section (1)(e)(1), the City can create a new or increased charge for a special benefit conferred or privilege granted directly and exclusively to the payor so long as the fee or charge does not exceed the reasonable costs of the City providing such benefit or privilege. Similarly, the City may create a new or increased fee or charge for a service or product provided directly to the payor so long as the fee or charge does not exceed the reasonable cost to the City of providing such product or service. The process utilized by the City and Willdan Financial Services ensured that such fees/charges accurately reflect the reasonable cost to the City of providing such products and services, thus exempting the City from voter approval requirements.

This process took a substantial amount of time and effort from staff to input their time taken to provide a service for each fee identified in the fee schedule. It's now complete and has been reviewed multiple times to ensure accuracy in the calculation of the fees and to ensure they are reasonable, equitable, and reflect the reasonable costs of the City for providing such services. Additionally, a sample of the fees were compared to

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other cities, such as Port Hueneme, the City of Ojai and the City of Ventura, to assist with the determination of whether the fee was reasonable. While no fees exceed the cost of providing the service, by comparing to neighboring cities, certain fees were decreased to reflect the fees charged in other cities.

The last complete review of the Schedule of Fees and Charges for City Services was done in 2008 with minor updates made in 2010 and 2012. The last update made in 2012 was done by the City Council adoption of Resolution No. 12-3357 and having an effective date of July 1, 2012.

The public hearing for the August 9, 2016 City Council meeting has been properly noticed in the Fillmore Gazette on both July 28, 2016, and August 4, 2016. The Schedule of Fees and Charges have been available during such times at the office of the City Clerk for review by residents of the City.

The attached Schedule of Fees and Charges for City Services are categorized by Department and organized by service provided. The schedule also provides the current fee, actual cost for the fee based on staff time multiplied by their hourly rate, the recovery level and corresponding suggested fee. Additionally, any new fees added are noted as a new fee. New fees include under General Services, adding the cost for using a collection agency. If a collection agency is used to collect on an account, the cost to use the collection agency will be added to the initial amount due. Under all of the departments, an Administrative fee of 25% was added to include when using consultants to perform city services. This fee covers the cost for staff to manage and oversee the work performed, track time spent and cost charged for the service, and staff time used to process and pay consultant invoices. Additionally, under Building and Safety, fees were added for Non-Residential, similar to Residential. It was determined that the time and effort to perform building and safety activities for non-residential activities should be higher than residential.

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, founds under Planning, Building & Safety and Public Works, require a 60 day waiting period. These fees would consequently become effective on October 10, 2016.
- 2) All other fees would become effective on August 9, 2016.

#### **FISCAL IMPACT**

The Willdan analysis predicts fee revenues to increase overall by an estimated \$50,000 to \$100,000. Such increases will reflect the costs to the City of providing the respective services. A more in-depth review of the fee revenues will be conducted and analyzed at mid-year and the budget adjusted accordingly at that time.

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**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 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;

And adopt City Council Resolution 16-3548 to approve the updated Schedule of Fees and Charges of City Services.

**Alternatives**

2. Receive the proposed Schedule of Fees and Charges for City Services; conduct and close the public hearing; and adopt City Council Resolution 16-3548 to approve the updated Schedule of Fees and Charges of City Services with changes.
3. Receive the proposed Schedule of Fees and Charges for City Services; and not conduct and close the public hearing; and not adopt City Council Resolution 16-3548 to approve the updated Schedule of Fees and Charges of City Services.
4. Provide other direction to staff.

**ATTACHMENTS**

Attachment 1: Resolution 16-3548 Schedule of Fees and Charges

Attachment 2: Schedule of Fees and Charges for City Services

**CITY OF FILLMORE  
CITY COUNCIL RESOLUTION 16-3548**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FILLMORE,  
CALIFORNIA ADOPTING A SCHEDULE OF FEES AND CHARGES FOR CITY  
SERVICES AND TAKING CERTAIN OTHER ACTIONS RELATING THERETO**

**WHEREAS**, the City of Fillmore has conducted an analysis of its services, the costs reasonably incurred by providing those services, the beneficiaries of those services, and the revenue produced by those paying fees and charges for special services; and

**WHEREAS**, the City has hired Willdan Financial Services to prepare a cost of service analysis for services provided by the City, in order to determine the reasonable costs to the City of providing such services; and

**WHEREAS**, pursuant to such analysis, the City and Willdan Financial Services have created a schedule of fees and charges that accurately reflect (and do not exceed) the reasonable cost to the City of providing such services; and

**WHEREAS**, such fees and charges meet the exceptions from the term "tax" set forth in Section 1(e) of Article 13C of the California Constitution; and

**WHEREAS**, the City desires to establish a policy of recovering the full costs incurred and reasonably charged for providing city services, and to adopt a schedule of fees and charges to accomplish said goal; and

**WHEREAS**, on the basis of evidence listed below, all public notice and hearing requirements prescribed in Government Code Section 66018(a) and 6062(a) have been satisfied

- a. Prior to adoption of this Resolution, a public hearing was conducted by the City Council on August 9, 2016.
- b. Written notice of the public hearing conducted by the City Council on August 9, 2016, was published in the legal section of a newspaper of general circulation on July 28, 2016 and August 4, 2016.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FILLMORE,  
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The attached schedule of fees and charges are hereby directed to be computed by and applied by the various City departments, and are to be collected by the City Finance Department for the herein listed special services when provided by the City or its designated contractors effective September 1, 2016 for all Exhibits except for Exhibit D, Planning and Exhibit G, Building/Safety, which will become effective October 10, 2016.

**Section 2.** All fees set forth by this resolution are for each identified process; additional fees shall be required for each additional process or service that is requested or required. Where fees are indicated on a per unit of measurement basis, the fee is for each identified unit or portion thereof within the indicated ranges of such units.

**Section 3.** The following fees shall be charged and collected for the enumerated services contained in the attached exhibits.

Exhibit A	General Services
Exhibit B	Filming
Exhibit C	Fire
Exhibit D	Planning
Exhibit E	Engineering
Exhibit F	Community Services
Exhibit G	Building/Safety & Attachment
Exhibit H	Code Enforcement
Exhibit I	Public Works
Exhibit K	City Attorney
Exhibit L	Police Enforcement

**Section 4.** The City Council further resolves that Resolution 16-3548 be repealed in its entirety, and all other resolutions and actions of the City Council in conflict with this Resolution are hereby repealed.

**Section 5.** The City Council hereby finds that the fees adopted herewith are exempt from the definition of "tax" under California Constitution Article 13C, and that no fee or charge exceeds the cost of providing the associated service.

**PASSED, APPROVED and ADOPTED** this \_\_\_\_ day of August 2016.

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Diane McCall, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney, Tiffany Israel

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

**ATTEST:**

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Diana Impeartrice, Deputy City Clerk

