

Proposed Master Fee Schedule Update

June 6, 2023

Agenda

- Why updating the Fee Schedule is important
- Why creating a process of ongoing increases is important
- Major Variables for Fee Changes
- Policy discussion/direction for City Council on a percentage, if any, reduction of special event fees for 501c3 non-profit organizations

Why are Fee Updates Important?

- **Subsidies in services impact the General Fund**
 - Private & specific benefit services are subsidized by unobligated funding sources
 - Reduces ability to fund general & community benefits

Why Ongoing Increases are

- Many agencies fall behind the cost of doing business
- Creates an implicit subsidy from the General Fund
- Creating an ongoing CPI increase creates a reasonable escalation that benefits the City, Community, and connected service delivery

Master Fee Updates

- **Determine full cost of providing services or programs**
 - Review fee schedules based on service delivery
 - Using fully-burdened rates, calculate full cost recovery
 - Identifying recreation/facility fee; demand driven (separate process from other user fees)

Master Fee Updates

- Update fees for service based on cost analysis
 - Incorporate or establish cost recovery goals
 - Identify appropriate fee levels that:
 - ✓ Enhance reasonability and applicability
 - ✓ Maintain consistency with local policies and objectives
 - ✓ Maintain legal compliance with state law

Master Fee Updates

- **Community Development Fees**
 - Maintaining Deposit structure for many fees with a transition to actual cost at revised reimbursement rates
 - Other fee increases are largely contributed with a more accurate review of total staff cost/overhead

Master Fee Updates

- **Police**
 - Fee increases are based on inflation cost increases
- **Facility and Park Rental**
 - Increases based on more accurate assessment of staff cost and time

Master Fee Updates

- **Clayton Community Park**
 - Utilizing fully burdened rates plus more accurate staff time estimates
- **Special Event Fees**
 - Street Closure Fee
 - Changed to a market rate approach by event size
 - Event Size will be through estimate from organizers
 - Staff will work on operationalizing auditing of participant counts

Master Fee Updates

- **Administrative Fees**
 - Utilizing fully burdened rates plus more accurate staff time estimates; relatively minor increases

Policy Discussion

- General standard: unless prescribed differently by council, individuals or groups who receive private benefit from service should pay 100% of cost
- In certain situations, subsidization is an effective public policy tool:
 - Encourage participation
 - Ensure compliance when cost is prohibitive to residents
 - Promote access to services
 - Promote community involvement/global community benefit usually related to the work of 501c3 organizations

Staff Recommendation

- Policy recommendation from user fee study
 - Inflation factor to annually adjust fees based on CPI, MOU, or another factor
 - Staff recommend Consumer Price Index (CPI)
 - Comprehensive analysis and update every 3-5 years
 - Policy Direction needed on Council's desire to add a subsidy level for 501c3 organizations related to Special Event Fees/Street Closures

Questions

Questions and Discussion