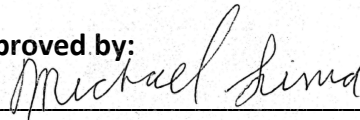


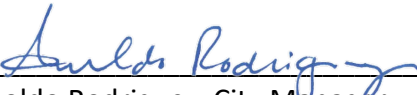
REPORT TO CITY COUNCIL

Approved by:


Michael Lima, Director of Financial Services

Council Meeting of: September 6, 2023

Agenda Number: C-3


Arnoldo Rodriguez, City Manager

SUBJECT:

Public Hearing to Consider Changes to the Master Fee Schedule for Planning Fees and a Technical Adjustment to Solid Waste Fees

RECOMMENDATION:

1. Conduct a Public Hearing to hear testimony regarding the proposed fee increases; and
2. Adopt a Resolution Approving proposed increases in Planning fees and Solid Waste fees for Multi-Family Residential

SUMMARY:

The City establishes its rates for services and facilities through the Master Fee Schedule (MFS). In conjunction with the FY 2023/24 budget process, staff reviewed rates to determine if any should be adjusted to more closely match costs. After receiving direction from the Council regarding the percentage increase for any proposed fee and the criteria for which departments would be eligible for such an increase, staff is recommending a six percent increase in most fees that the Planning Department charges. Additionally, Multi-Family Residential Solid Waste fees, which Council adopted at its July 20, 2022 meeting, were not incorporated into the enabling documents. Staff recommends that this oversight be amended by formally incorporating these fees into the enabling documents.

DISCUSSION:

The City has codified its fees for various services through its MFS. Fees charged through the MFS are intended to recapture the cost of providing a service to the customer. Consequently, MFS fees are periodically updated to ensure they capture most, if not all, of the cost associated with the service.

In conjunction with the FY 2023/24 budget process, staff reviewed the MFS to determine if an adjustment of rates was warranted. During that review, staff discovered that the most recent

MFS fee increase went into effect on July 1, 2018. Given the length of time since the last MFS update, staff believed it was reasonable to assume that costs had increased to the point that the fees in the MFS were no longer accurate. Also, as part of the review, staff determined that the Multi-Family Residential Solid Waste rates were not listed in the enabling documents that enacted the Solid Waste fee increases in 2022.

Staff went before Council on June 21, 2023 seeking direction on the percentage increase by which MFS fees could be increased. Staff recommended an increase of between 6 and 10 percent. Council initially indicated a preference that fees should not be adjusted by more than 6 percent. Council also expressed a desire to only adjust fees for those departments that had experienced a significant growth in their net operation cost.

After reviewing departmental fees given Council direction, staff recommends a 6 percent increase to most of the Planning Department's fees and a technical adjustment to the Solid Waste Fees consistent with the Council's prior approval.

Planning Department Fees

The Planning Department's fees were determined to best meet the criteria established by Council for consideration of a fee adjustment. Table 1 summarizes the growth in the Planning Department's net cost (or, the cost that is supported by the General Fund and not fees) over the past four fiscal years plus the net cost assumed in the FY 2023/24 budget.

Table 1: Planning Department Net General Fund Support (1)			
Fiscal Year	Revenues	Expenditures	Net General Fund Support
2019/20 Actual	\$207,061	\$457,584	\$250,523
2020/21 Actual	\$198,830	\$740,868	\$542,039
2021/22 Actual	\$430,194	\$989,332	\$559,138
2022/23 Actual	\$253,580	\$950,881	\$697,302
2023/24 Budget	\$810,000	\$1,743,499	\$933,499
(1) Rounded to the nearest dollar			

Given the significant growth in the net support to the Planning Department, staff recommends a six percent adjustment to most of their fees. The proposed increase would raise certain fees anywhere from \$4 (After Packet Distribution for a Continued Hearing Request) to \$382 (Major Specific Plan Amendment involving more than 10 acres). A complete list of the fees proposed for

adjustment, the current rate being charged, and the proposed rate can be found in Attachment 1.

Solid Waste Rates

After a notice and hearing, Council approved new Solid Waste rates and other Utility rates on July 20, 2022. As part of the review for possible MFS rate adjustments, staff noted that the Multi-Family Residential Solid Waste rates were not included in the enabling documents that Council approved to enact the Utility rates, even though these rates were part of the Proposition 218 rate study which developed the new rates. The Multi-Family Residential Solid Waste rates are listed in the following table.

Table 3: Multiple Family Residential Solid Waste Per Month <i>(Includes Street Sweeping, Admin Fee and SB 1383 Surcharge)</i>						
Customer Class/Service Type	FY 2019/20	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
First Two Dwelling Units (each)	\$23.22	\$38.23	\$41.82	\$45.77	\$47.51	\$49.31
Each Additional Dwelling Unit	\$22.59	\$35.14	\$38.42	\$42.03	\$43.62	\$45.27

Staff is recommending addressing that oversight by formally including these fees in the MFS. The rates proposed for inclusion are not different from those adopted by Council in July 2022.

Additional Information

If Council approves these recommended adjustments, staff recommends they go into effect on October 1, 2023 to give staff time to update billing systems.

Under California Government Code Section 6062(a), a notice of this hearing must be printed at least twice within 10 days before the meeting in a newspaper published once a week or more frequently. The legal notice for this hearing was printed in the Madera Tribune on August 26, 2023, and September 1, 2023.

As a follow-up to this action, staff will prepare a Request for Proposal for a consultant to prepare a comprehensive review of all the City's rates. Staff hopes to have the results of this review in time for the Fiscal Year 2024/25 budget review.

FINANCIAL IMPACT:

Assuming activity levels remain constant, the proposed increases are estimated to generate the following revenue:

- Planning Fees: \$15,200

Notably, these revenues were not included in the FY 2023/24 Adopted Budget. Technically, the revenue from the Solid Waste Fee technical correction is also not in the FY 2023/24 Adopted Budget. However, appropriations were set at a level that assumed the revenue would be collected.

ALTERNATIVES:

Council may:

- **Reject all proposed fee increases and adjustments.**
 - The City will not reduce the General Fund support to the Planning Department, nor will it capture enough revenue to cover Solid Waste costs.
- **Approve a different amount than what is recommended for approval.**
 - The financial impact of such a decision depends on the adopted rate amounts.
- **Reject some recommended rates and approve others at recommended rates.**
 - The financial impact of such a decision depends on the rate amounts that are rejected.
- **Reject some recommended rates and approve others at a different amount than what is recommended for approval.**
 - The financial impact of such a decision depends on the rate amounts that are rejected and the rate amounts that are adopted.

ATTACHMENTS:

1. Resolution
2. Attachment 1 – List of Planning Fees and their proposed changes

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA
ADOPTING CHANGES TO THE MASTER FEE SCHEDULE FOR PLANNING
FEES AND SOLID WASTE FEES**

WHEREAS, the City's Master Fee Schedule has not been updated since July 1, 2018; and

WHEREAS, utility rates were adopted by Council on July 20, 2022 after appropriate notice, hearing, and compliance with the Proposition 218 process; and,

WHEREAS, although part of the fee study and Proposition 218 process, the enabling documents for the adopted utility rates inadvertently did not include rates for Multi-Family Residential customers when it was Council's intention to include the same at that time; and

WHEREAS, staff also sought direction regarding certain other rates at the Council's June 21, 2023 meeting; and

WHEREAS, Council initially indicated that those fees be adjusted by no more than six percent (6%) and only for those departments whose net cost had shown a significant increase over that amount since the last time that fees were adjusted; and

WHEREAS, after an analysis by staff given the parameters that Council directed, it was determined that the Planning Department's fees met Council's criteria and the adjustment was supported by the increased costs of providing services since the last update of the fees; and

WHEREAS, staff presented its findings regarding recommended fee and fine adjustments at the August 16, 2023 Council meeting; and

WHEREAS, a notice for the public hearing to consider rate and fine adjustments was published in the Madera Tribune on August 26, 2023 and September 1, 2023 in compliance with California Government Code Section 6062(a); and

WHEREAS, the City Council now desires to amend the Master Fee Schedule to approve proposed increases in Planning fees, and to make a technical adjustment to the Solid Waste fees to ensure that rates Multi-Family Residential customers are included as originally intended by Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA does hereby resolve, find, and order as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.

2. The Council hereby finds and determines that the fees and charges imposed by this resolution do not exceed a reasonable estimate of providing the service for which the fees are charged.
3. The Council hereby approves the changes to the Master Fee Schedule for Planning Department Fees as identified in the attached Exhibit A.
4. The Council hereby approves the changes to the Master Fee Schedule for Multi-Family Residential Solid Waste Rates as identified in attached Exhibit B.
5. This Resolution shall take effect on October 1, 2023.

* * *

Exhibit A
Planning Department Fees

Fee Name	Proposed Rate
Rezoning/Prezoning - under 10 acres	\$4,452
Rezoning/Prezoning- greater than 10 acres	\$6,626
Code Amendments	\$4,457
General Plan Amendments	\$4,497
Major General Plan Amendments - 10 Acres+	\$6,746
Specific Plan Amendments	\$4,524
Major Specific Plan Amendments - 10 Acres +	\$6,787
Administrative	\$1,277
Project Approvals	\$641
Negative Declaration	\$381
Mitigated Negative Declaration	\$450
Lot Line Adjustment	\$362
Tentative Parcel Maps	\$1,019
Tentative Parcel Map Modification/Time Extension	\$469
Tentative Subdivision Maps - Less than 40 acres	\$3,763
Tentative Subdivision Maps - More than 40 Acres	\$5,645
Tentative Subdivision Map Modifications	\$1,726
Tentative Subdivision Map Time Extensions	\$1,187
Minor Projects and new construction < 1,200 s.f.	\$935
New Projects of up to 10,000 s.f. & < 25 units	\$1,436
Major Projects > 10,000 s.f. & 25+ units	\$2,531
Large Projects (NEW) > 100,000 s.f. & 150 Units	\$4,385
Sign Permit - Single	\$115
Sign Permit - Multiple	\$154
Sign Use Permit	\$1,698
Sign Variance	\$1,987
Minor Adjustment (New)	\$336
Master Sign Program (New)	\$276
Use permits with no new construction, or new construction of less than 3,000 s.f.	\$1,407
Use permits for new projects of 3,000 - 10,000 s.f. with 25 units or less	\$2,549
Use permits for more than 10,000 s.f. or more than 25 units	\$2,998
Use permits for more than 100 s.f. or more than 150 units	\$4,498
Precise plan for less than 10,000 s.f. or 25 units or less	\$2,607
Precise plan for more than 10,000 s.f. or more than 25 units	\$3,611
Precise plan for more than 100,000 s.f. or more than 150 units	\$5,416
Variances	\$2,341
Temporary Use Permit (New)	\$158
Extensions	\$1,227
Home Occupational Permit	\$159
Request for Findings / Determinations	\$2,295
Prior to Packet Distribution	\$79
After Packet Distribution	\$137
Right-of-way Abandonment	\$2,295
Summary Vacations	\$2,295
Zoning Administrator Permits	\$468
Large Scale Map - Color	\$48 each

Exhibit B
Multi-Family Residential Solid Waste Per Month

Rate	Current	8/1/22- 7/31/23	8/1/23- 7/31/24	8/1/24- 7/31/25	8/1/25- 7/31/26	8/1/26- 7/31/27
First Two Dwelling Units (each)	\$23.22	\$38.23	\$41.82	\$45.77	\$47.51	\$49.31
Each Additional Dwelling Unit	\$22.59	\$35.14	\$38.42	\$42.03	\$43.62	\$45.27

Attachment 1

Planning Department Fees Proposed Changes to Current Rates

Fee Name	Current Rate	Proposed Rate	Change
Rezoning/Prezoning - under 10 acres	\$4,200	\$4,452	\$252
Rezoning/Prezoning- greater than 10 acres	\$6,251	\$6,626	\$375
Code Amendments	\$4,205	\$4,457	\$252
General Plan Amendments	\$4,243	\$4,497	\$254
Major General Plan Amendments - 10 Acres+	\$6,364	\$6,746	\$382
Specific Plan Amendments	\$4,268	\$4,524	\$256
Specific Plan Preparation	\$0	\$0	-
Major Specific Plan Amendments - 10 Acres +	\$6,403	\$6,787	\$384
Administrative	\$1,204	\$1,277	\$73
Project Approvals	\$605	\$641	\$36
Negative Declaration	\$360	\$381	\$21
Mitigated Negative Declaration	\$425	\$450	\$25
Environmental Impact Report	\$0	\$0	-
Environmental Impact Report - Administration	10% of Cost	10% of Cost	-
Supplemental EIR	\$0	\$0	-
Supplemental EIR EIR - Administration	10% of Cost	10% of Cost	-
Lot Line Adjustment	\$342	\$362	\$20
Tentative Parcel Maps	\$962	\$1,019	\$57
Tentative Parcel Map Modification/Time Extension	\$442	\$469	\$27
Tentative Subdivision Maps - Less than 40 acres	\$3,550	\$3,763	\$213
Tentative Subdivision Maps - More than 40 Acres	\$5,325	\$5,645	\$320
Tentative Subdivision Map Modifications	\$1,628	\$1,726	\$98
Tentative Subdivision Map Time Extensions	\$1,120	\$1,187	\$67
Minor Projects and new construction < 1,200 s.f.	\$882	\$935	\$53
New Projects of up to 10,000 s.f. & < 25 units	\$1,355	\$1,436	\$81
Major Projects > 10,000 s.f. & 25+ units	\$2,387	\$2,531	\$144
Large Projects (NEW) > 100,000 s.f. & 150 Units	\$4,137	\$4,385	\$248
Modifications to approved site plans	50% Orig. Fee	50% Orig. Fee	-
Sign Permit - Single	\$108	\$115	\$7
Sign Permit - Multiple	\$146	\$154	\$8
Sign Use Permit	\$1,602	\$1,698	\$96
Sign Variance	\$1,874	\$1,987	\$113
Minor Adjustment (New)	\$317	\$336	\$19
Master Sign Program (New)	\$260	\$276	\$16
Use permits with no new construction, or new construction of less than 3,000 s.f.	\$1,327	\$1,407	\$80
Use permits for new projects of 3,000 - 10,000 s.f. with 25 units or less	\$2,404	\$2,549	\$145
Use permits for more than 10,000 s.f. or more than 25 units	\$2,829	\$2,998	\$169

Fee Name	Current Rate	Proposed Rate	Change
Precise plan for less than 10,000 s.f. or 25 units or less	\$2,460	\$2,607	\$147
Precise plan for more than 10,000 s.f. or more than 25 units	\$3,407	\$3,611	\$204
Precise plan for more than 100,000 s.f. or more than 150 units	\$5,110	\$5,416	\$306
Variances	\$2,208	\$2,341	\$133
Temporary Use Permit (New)	\$149	\$158	\$9
Modifications	50% of Full Application Fee	50% of Full Application Fee	-
Extensions	\$1,158	\$1,227	\$69
Agenda Subscription	\$0	\$0	-
Home Occupational Permit	\$150	\$159	\$9
House / Building Move	\$0	\$0	-
Request for Findings / Determinations	\$2,165	\$2,295	\$130
Request for Continued Hearing	\$0	\$0	-
Prior to Packet Distribution	\$75	\$79	\$4
After Packet Distribution	\$129	\$137	\$8
Right-of-way Abandonment	\$2,165	\$2,295	\$130
Summary Vacations	\$2,165	\$2,295	\$130
Zoning Administrator Permits	\$441	\$468	\$27
Consulting services administered by City	Cost + 10 %	Cost + 10 %	-
Additional request for staff services	Cost	Cost	-
Permits or applications where activity was commenced without receiving prior approval	4 x Normal Fee	4 x Normal Fee	-
Printing (Copy) Charges (Black & White)	.10 single sided copy	.10 single sided copy	-
Printing (Copy) Charges (Black & White)	.15 double sided copy	.15 double sided copy	-
Up to and including 8 1/2 x 14 - Color	\$ 1.00 each side	\$ 1.00 each side	-
11" x 17" - Color	\$ 2.00 each side	\$ 2.00 each side	-
Large Scale Map - Color	\$45.00 each	\$48.00 each	\$3.00 each
CD/DVD	\$5.00 each	\$5.00 each	-