

Mayor
Willard Rodarmel
Mayor Pro Tem
John Plourde
Council Members
John Gordon
John Murray
William Siegel



Office of the
City Manager

119 Fox Street
Lemoore • CA 93245
Phone • (559) 924-6700
FAX • (559) 924-9003

To: Lemoore City Council **Item #6B**
From: JP Prichard, Administrative Analyst
Date: March 9, 2010
Subject: Master Fee Schedule Annual Adjustment Resolution 2011-11

Discussion:

Council will recall that annually, the City's User Fee Schedule can be adjusted to keep pace with inflationary movements of the economy. The *Employee Cost Index for State and Local Government Employees* (ECI) and the *California Construction Cost Index* (when applicable) are the recommended tools to determine the amount of the adjustment. As our report on User Fees from MuniFinancial points out:

"The City of Lemoore wishes to apply an annual adjustment factor to its fee schedules to ensure fees keep pace with inflation. We recommend the Employee Cost Index for State and Local Government Employees, Total Compensation as published by the Bureau of Labor Statistics. Each year, the City shall determine the percentage change in this index and apply the increase or decrease to the master fee schedule by act of City ordinance or resolution. Certain fees are exempt from an index adjustment, such as fees set by the State of California and percentage based fees, and these fees are noted in the master fee schedule."

Council then, by resolution, may raise certain fees for service (those directly related to City costs) in the Master Fee Schedule by the amount stated in the ECI for the year ending December 2010, which was 1.8%. Additionally, the Parking-in-lieu fee and Public Improvement Plan Check & Inspection fees would most appropriately be modified by the CA Construction Cost Index, which was 6.3% over the same period. The Master User Fee Schedule has been adjusted and the proposed fees have been made available to the public, as per posting requirements. Council may notice that not all fees have been increased; this can be for a number of reasons. First, some fees are set at the State level and cannot be adjusted (i.e. DOJ fees). Secondly, some fees, such as facility rentals, are not based on costs and are, therefore, not adjusted. Third, some fees in the schedule did not increase this year because the index associated with costs did not have enough impact to raise the fee to the next level. In other words, *most* of the fees are rounded to the nearest \$5 increment and the 1.8% may have only called for a \$2 increase, therefore no increase was recommended this year. In these cases, the fee may increase next year, as an additional increase will be added to the base cost. Associated with that fact, some fees have been increased this year by what seems to be just over 1.8%, however, this is a result of performing the function just discussed. Last year some fees did not increase to the next \$5 increment. In those cases, this year's calculations compounded a multi-year increase from the last five to find the new rate. In that way, the User Fee Schedule is able to capture increases that were not made in the previous year.

In a final discussion, there were some fees newly added, modified, and/or being considered for waiver. Please see attachments for information on how these fees were calculated:

New Fees:

Local Personal Background Check	\$9
Animal Pickup/Euthanasia/Impound	\$225
(formerly just Animal Pickup/Euthanasia)	

The Local Personal Background Check is a service that provides criminal background to agencies authorized to receive such information for employment purposes (military, CDCR, etc.). The Animal Impound fee is a charge for the collection of nuisance animals turned over to Kings County Animal Control.

Modified Fees:

Concealed Weapons Permit (original)	\$100 + Current DOJ fee
Concealed Weapons Permit (renewal)	\$25 + Current DOJ fee
Public Improvement Plan Check and Inspection:	
\$0 - \$7,000 (formerly \$0 - \$5,000)	8% of Total Valuation
\$7,001 - \$35,000 (formerly \$5,001 - \$25,000)	\$70 + 7% of Total Valuation
\$35,001 - \$140,000 (formerly \$25,001 - \$100,000)	\$420 + 6% of Total Valuation
\$140,001 - \$350,000 (formerly \$100,001 - \$250,000)	\$1,820 + 5% of Total Valuation
\$350,001 + (formerly \$250,000+)	\$5,320 + 4% of Total Valuation

Previous calculations for Concealed Weapons Permits (both \$4 + Current DOJ fee) failed to offset the cost of processing the applications. When these fees were recalculated, it was determined that the cost of providing the service exceeded the maximum allowable by the State of California, so the fees are proposed at the State maximum.

Public Improvement Plan Check and Improvement fees in the past have been indexed without changing the valuation ranges for each fee. As construction costs has been increasing since inception, this has led to skewed calculation over time. Adjusting the valuation bands by the CCCI, and resetting the fee percentages to the original amounts at inception, is the most accurate way to adjust these fees for inflation.

Budget Impact:

Should an increase be approved by resolution, it is estimated that an additional \$10,000 – \$15,000 will be generated annually.

Recommendation:

That City Council hold the public hearing and approve, by motion, the attached Resolution 2011-11 to establish the 2011 Master User Fee Schedule.