



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	4/23/2024
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Ordinance No. 1344 - An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and repealing Section 3.50.060 of the <u>Folsom Municipal Code</u> (Introduction and First Reading) and Determination that the Project is Exempt from CEQA
<b>FROM:</b>	Community Development Department

**RECOMMENDATION / CITY COUNCIL ACTION**

Conduct the first reading of Ordinance No. 1344 – An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and repealing Section 3.50.060 of the Folsom Municipal Code.

**BACKGROUND / ISSUE**

The Community Development Department has completed a comprehensive study of its user fees. As part of that process, staff noted that Chapter 3.50 “Fee and Service Charge Revenue/Cost Comparison System” of the Folsom Municipal Code (FMC) mandated a specific percentage of costs that are required to be recovered by fees and service charges for development, public safety, recreation, maintenance, administrative and financial services. This list was created based on a cost control system study performed in 1987. The list includes several services that either no longer exist or have been modified substantially since 1987 and does not include several newer services that the City has performed since that time. Chapter 3.50 also currently lists the schedule for the review of each fee.

While Council regularly reviews and approves updated fee schedules for individual departments, these fee schedules may include services that are not specifically listed in FMC Chapter 3.50. In addition to the frequency of fee reviews, the Chapter also includes the percentage of cost recovery required for each fee. However, Council may wish to modify the percentage of cost recovery for certain fees and service charges based on considerations such as community benefit or in support

of economic development. Under FMC Chapter 3.50, the Council cannot do this since the chapter lists specific percentages of cost recovery that have to be met.

**POLICY / RULE**

Under Section 2.12 of the City Charter, amendments to the Folsom Municipal Code require review and approval by the City Council.

**ANALYSIS**

Staff has provided proposed modifications to FMC Chapter 3.50 (provided in Attachment 1) to remove the schedule of fees and service charges table that lists specific regulations, products or services provided by the City and the percentages of costs reasonably borne by the City to be recovered by those fees. Staff recommends that instead of listing each of these specific facilities, products and services, that the chapter be amended to provide general guidance about fees and the appropriate cost recovery percentage. This provides greater discretion to the Council if, for example, it chooses to set a lower cost recovery percentage for a service due to community benefit or economic development reasons. In addition, each department already maintains a Council-approved fee schedule that is publicly available, and these schedules capture each department's actual fee-based regulations, products, facilities, and services. Removing the "percentage of costs reasonably borne to be resolved" section allows Council to review each department's fee schedule as needed to modify the percentage of cost recovery desired for each fee (up to 100 percent cost recovery).

In general, staff recommends that Council seek 100 percent cost recovery, but Council may adjust fees to a lower rate at their discretion. Grounds for reducing fee rates are wide-ranging and could include reasons such as economic development, community benefit, public safety, to encourage the public to obtain permits, and to avoid overburdening the general public with large fees. It would also allow departments to charge flat fees or other fee methods rather than deposit-based fees. While deposit-based fees ensure full cost recovery for every service, they require additional administrative resources for invoicing, tracking, and collection that many departments, such as Community Development currently lack.

Staff is also recommending removing the language regarding the frequency of fee reviews by Council. The code currently prescribes either annual, quarterly or seasonal reviews. Given the costs and time involved in producing fee studies, these targets have not been achieved. Fee schedules for individual departments often get updated after the department finds that the fees no longer reflect the type or level of work that goes into specific tasks. While it is often best practice to adjust fee levels annually based on the Consumer Price Index (CPI) or the Construction Cost Index (CCI) depending on the type of fee, service or facility provided, it is not necessary to require this as part of the ordinance as there may be times where staff and/or the Council do not wish to make an annual adjustment. Removing the timing mechanism would formally allow Council and the City Manager to decide when fee updates are necessary.

In researching other jurisdictions with similar code chapters addressing fee and service charge revenue and cost comparison system, none that staff found dictated specific cost recoveries for individual services and only one listed out each individual service provided as Folsom's code currently does. These codes by and large gave Council the discretion to determine specific fee

rates to be collected (not exceeding 100% cost recovery) and did not prescribe the frequency with which fees need to be reviewed. As such, staff found that the proposed code modifications would be consistent with the current practices of several other jurisdictions.

**FINANCIAL IMPACT**

Since the changes to Chapter 3.50 of the FMC still stipulate that the City Council shall generally seek 100 percent cost recovery for City services and this ordinance does not change any specific fee amounts, there is no impact to the General Fund. The proposed modifications to Chapter 3.50 of the FMC would let Council establish new fee and service charge types for any additional services the City provides. It would also allow Council to regularly modify the percentage of cost recovery of each fee and service charge type on a frequency of their choice based on updated economic conditions rather than relying on cost recovery and review targets from 1987.

**ENVIRONMENTAL REVIEW**

The change to this chapter of the Folsom Municipal Code is not a project under the California Environmental Quality Act (CEQA) and is therefore exempt from environmental review in accordance with Section 15061(b)(3) - Review for Exemption of the CEQA Guidelines.

**ATTACHMENTS**

1. Ordinance No. 1344 – An Ordinance of the City of Folsom Amending Sections 3.50.020, 3.50.040 and 3.50.050 and repealing Section 3.50.060 of the Folsom Municipal Code.
2. Proposed Updated Version of Chapter 3.50 “Fee and Service Charge Revenue/Cost Comparison System” of the Folsom Municipal Code

Submitted,



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PAM JOHNS  
Community Development Director

**ATTACHMENT 1**

**ORDINANCE NO. 1344 – AN ORDINANCE OF THE CITY OF  
FOLSOM AMENDING SECTIONS 3.50.020, 3.50.040 AND 3.50.050  
AND REPEALING SECTION 3.50.060 OF THE FOLSOM  
MUNICIPAL CODE**

ORDINANCE NO. 1344

AN ORDINANCE OF THE CITY OF FOLSOM AMENDING SECTIONS 3.50.020, 3.50.040 AND 3.50.050 AND REPEALING SECTION 3.50.060 OF THE FOLSOM MUNICIPAL CODE

The City Council of the City of Folsom does hereby ordain as follows:

**SECTION 1 PURPOSE**

The purpose of this Ordinance is to amend the Folsom Municipal Code to remove the specific list of services and percentage of costs reasonably borne to be resolved from fees for those services and instead give City Council the discretion to determine specific services and associated cost recovery goals.

**SECTION 2 AMENDMENT TO SECTION 3.50.020 OF THE FOLSOM MUNICIPAL CODE**

Section 3.50.020 of the Folsom Municipal Code is hereby amended to read as follows:

**3.50.020 Direction to ~~city manager~~ recover costs.**

The ~~city manager is hereby directed to recommend to the council the adjustment amount~~ of fees and charges established under this Chapter shall be sufficient to recover ~~a~~ the percentage of ~~the~~ costs reasonably borne in providing the ~~regulation, products or~~ services for which the fees and charges are imposed enumerated in this chapter and on the schedule of rate review as hereinafter established in this chapter. Costs reasonably borne shall be as are defined in Section 3.50.030. ~~(Ord. 609 § 1, 1988)~~ The percentage of the cost to be recovered by the fee shall be at the sole discretion of the council but shall not exceed 100 percent, as set forth by Section 3.50.040 below.

**SECTION 3 AMENDMENT TO SECTION 3.50.040 OF THE FOLSOM MUNICIPAL CODE**

Section 3.50.040 of the Folsom Municipal Code is hereby amended to read as follows:

**3.50.040 Schedule of fees and service charges.**

The ~~city council city manager, and each city department head, under the direction of the city manager,~~ shall periodically review and make adjustments to all services provided by the various city departments to all users and the fees and charges associated with those services. The city council shall generally seek 100 percent cost recovery for these services but may, at its sole discretion, adjust fees and charges to a level below full cost recovery for reasons of economic development, community benefit, or for any other lawful purpose. the fees and service charges, on the schedule of frequency provided for in this section, and report any new or adjustment of the fee or charge which is required so as to recover the

listed percentage of costs reasonably borne necessary to provide the listed regulation, products or services.

Regulation, Product or Service	Percentage of Costs Reasonably Borne to be Resolved	Review Schedule
<b>Development Services</b>	-	-
1. Preliminary Project Review	100%	Annual
2. Building Plan Checking	100%	Annual
3. Construction Inspection	100%	Annual
4. Construction Re-Inspection	100%	Annual
5. Resale Inspection	100%	Annual
6. Mobile Home Park Regulation	100%	Annual
7. Housing Moving Review	100%	Annual
8. Home Occupation Review	100%	Annual
9. Variance Review	100%	Annual
10. Site Design Review	100%	Annual
11. Use Review	100%	Annual
12. PUD Review	100%	Annual
13. PUD Modification Review	100%	Annual
14. PUD Extension Review	100%	Annual
15. Specific Plan Review	100%	Annual
16. Specific Plan Amendment Review	100%	Annual
17. Rezoning Request Review	100%	Annual
18. Zoning Verification Review	100%	Annual
19. Lot Adjustment/Merger Review	100%	Annual
20. Tentative Parcel Map Review	100%	Annual
21. Tentative Parcel Map Revision Review	100%	Annual
22. Tentative Subdivision Map Review	100%	Annual
23. Tentative Subdivision Map Extension Review	100%	Annual
24. Street Name Review	100%	Annual
25. Final Map Check	100%	Annual

26. Environmental Assessment	100%	Annual
27. Environmental Impact Review	100%	Annual
28. Sign Design Review	100%	Annual
29. General Plan Review	100%	Annual
30. Code Amendment Consideration	100%	Annual
31. Reclamation Plan Review	100%	Annual
32. Appeal to Planning Commission Review	100%	Annual
- Owner-Occupied Single Family Dwelling	10%	Annual
33. Appeal to City Council Review	100%	Annual
- Owner-Occupied Single Family Dwelling	10%	Annual
34. Miscellaneous Plans and Standards Review	100%	Annual
35. Rights-of-Way or Easement Abandonment Review	100%	Annual
36. Annexation Processing Service	100%	Annual
- City-Initiated	0%	Annual
37. Historical District Sign Review	100%	Annual
38. Historical District Construction Review	100%	Annual
39. Opinion on Planning Matter	100%	Annual
40. Eneeroachment Inspection	100%	Annual
41. Grading Plan Inspection	100%	Annual
42. Street Cut Inspection	100%	Annual
43. Subdivision Improvement Plan Review	100%	Annual
44. Subdivision Improvement Plan Inspection	100%	Annual
45. Developer Agreement Processing	100%	Annual
--	-	-
<b>Public Safety Services</b>	-	-
46. General Code Enforcement	50%	Annual
47. Parking Enforcement	100%	Annual
48. Vehicle Code Enforcement	50%	Annual

49. Abandoned Vehicle Removal	100%	Annual
50. Card Room Regulation	100%	Annual
51. Bingo Regulation	100%	Annual
52. Blasting Review	100%	Annual
53. Wide and Overload Inspection	100%	Annual
54. Police False Alarm Response	100%	Annual
55. Concealed Weapon Investigation Per State Law	100%	Annual
56. Accident Investigation	100%	Annual
57. DUI Arrest Processing	100%	Annual
58. Domestic Violence Response	100%	Annual
59. Fingerprinting for Private Purposes	100%	Annual
60. Clearance Letter Processing	100%	Annual
61. Vehicle Inspection	100%	Annual
62. Police Photograph Sale	100%	Annual
63. Special Event Security	100%	Annual
64. State Mandated Fire Inspection	100%	Annual
65. Fire Company Inspection	25%	Annual
66. Fire Protection Plan Review	100%	Annual
67. Special Fire Inspections	100%	Annual
*68. Fire Report Sales	100%	Annual
69. Fire Salvage Service	100%	Annual
70. Lot Cleaning	100%	Annual
71. Ambulance Service—Contract Service	100%	Annual
- All Others	75%	Annual
72. Fire False Alarm Response	100%	Annual
73. Emergency Medical Assistance	25%	Annual
74. Fire Flooding Cleanup	100%	Annual
75. Fire/Police Lockout Assistance	100%	Annual
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<b>Recreation Services</b>	-	-
76. Adult Special Interest Classes	90%	Quarterly
- Non-Resident	100%	Quarterly



<del>77. Youth Special Interest Classes</del>	<del>75%</del>	<del>Quarterly</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Quarterly</del>
<del>78. Community Special Interest Classes</del>	<del>75%</del>	<del>Quarterly</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Quarterly</del>
<del>79. City Adult Sports Program</del>	<del>50%</del>	<del>Seasonally</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Seasonally</del>
<del>80. City Youth Sports Program</del>	<del>50%</del>	<del>Seasonally</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Seasonally</del>
<del>81. Private Adult Ballfield Usage</del>	<del>50%</del>	<del>Seasonally</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Seasonally</del>
<del>82. Private Youth Ballfield Usage</del>	<del>25%</del>	<del>Seasonally</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Seasonally</del>
<del>*83. Special Community Events</del>	<del>25%</del>	<del>Annual</del>
<del>*84. Recreational Swimming</del>	<del>50%</del>	<del>Annual</del>
<del>85. Swimming Lessons</del>	<del>100%</del>	<del>Annual</del>
<del>86. Trips and Tours</del>	<del>90%</del>	<del>Seasonally</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Seasonally</del>
<del>*87. Mini-Railroad Operation</del>	<del>0%</del>	<del>Annual</del>
<del>*88. Zoo Maintenance and Operation</del>	<del>50%</del>	<del>Annual</del>
<del>*89. July 4 Celebration</del>	<del>25%</del>	<del>Annual</del>
<del>*90. Memorial Day Celebration</del>	<del>25%</del>	<del>Annual</del>
<del>91. Flea Market</del>	<del>25%</del>	<del>Annual</del>
<del>92. Recreation Buildings Maintenance Operation</del>	<del>25%</del>	<del>Annual</del>
<del>- Non-Resident</del>	<del>75%</del>	<del>Annual</del>
<del>93. Ballfield Lighting Maintenance</del>	<del>25%</del>	<del>Annual</del>
<del>- Non-Resident</del>	<del>100%</del>	<del>Annual</del>
<del>94. Sports Complex Concessions</del>	<del>50%</del>	<del>Annual</del>
<del>--</del>	<del>-</del>	<del>-</del>
<del>Maintenance Services</del>	<del>-</del>	<del>-</del>
<del>95. Utilities Franchise Fees</del>	<del>100%</del>	<del>Annual</del>
<del>96. Street Lighting (Through Creation of a 1972 Act Assessment District)</del>	<del>-</del>	<del>-</del>

- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
<b>97. Street Landscaping (Through Creation of a 1972 Act Assessment District)</b>	-	-
- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
<b>98. Street Tree Maintenance (Through Creation of a 1972 Act Assessment District)</b>	-	-
- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
<b>99. Street Sweeping</b>	-	-
- May 1, 1988	50%	Annual
- May 1, 1989	100%	Annual
<b>100. Storm Drainage (Through Creation of a 1972 Act Assessment District)</b>	-	-
- August 1, 1988	0%	Annual
- August 1, 1989	25%	Annual
- August 1, 1990	50%	Annual
- August 1, 1991	75%	Annual
- August 1, 1992	100%	Annual
<b>101. Unimproved Street Maintenance (Through Creation of 1911 and 1915 Act Assessment Districts)</b>	100%	Annual

<del>102. Alley Maintenance (Through Creation of 1911 and 1915 Act Assessment Districts)</del>	<del>100%</del>	<del>Annual</del>
<del>103. Water Service</del>	<del>-</del>	<del>-</del>
<del>- December 1, 1988</del>	<del>70%</del>	<del>Annual</del>
<del>- December 1, 1989</del>	<del>85%</del>	<del>Annual</del>
<del>- December 1, 1990</del>	<del>100%</del>	<del>Annual</del>
<del>104. Delinquent Turn Off/On Processing</del>	<del>100%</del>	<del>Annual</del>
<del>105. Water Turn Off/On Service</del>	<del>100%</del>	<del>Annual</del>
<del>106. Special Water Service Projects</del>	<del>100%</del>	<del>Annual</del>
<del>107. Sewer Service</del>	<del>-</del>	<del>-</del>
<del>- April 1, 1988</del>	<del>50%</del>	<del>Annual</del>
<del>- April 1, 1989</del>	<del>60%</del>	<del>Annual</del>
<del>- April 1, 1990</del>	<del>75%</del>	<del>Annual</del>
<del>- April 1, 1991</del>	<del>90%</del>	<del>Annual</del>
<del>- April 1, 1992</del>	<del>100%</del>	<del>Annual</del>
<del>108. Refuse Service</del>	<del>-</del>	<del>-</del>
<del>- June 1, 1988</del>	<del>75%</del>	<del>Annual</del>
<del>- June 1, 1989</del>	<del>90%</del>	<del>Annual</del>
<del>- June 1, 1990</del>	<del>100%</del>	<del>Annual</del>
<del>109. Dumpster Rental Charges</del>	<del>100%</del>	<del>Annual</del>
<del>*110. Transit Service</del>	<del>90%</del>	<del>Annual</del>
<del>*111. Commuter Transit Center</del>	<del>75%</del>	<del>Annual</del>
<del>112. Private Sewer Service Problem Inspection</del>	<del>100%</del>	<del>Annual</del>
<del>113. State Prison Sewer Service</del>	<del>100%</del>	<del>Annual</del>
<del>114. Special Sewer Service Project</del>	<del>100%</del>	<del>Annual</del>
<del>--</del>	<del>-</del>	<del>-</del>
<del>Administrative and Finance Services</del>	<del>-</del>	<del>-</del>
<del>115. Redevelopment Agency Administration</del>	<del>100%</del>	<del>Annual</del>
<del>116. Regional Sanitation Billing</del>	<del>100%</del>	<del>Annual</del>
<del>117. New Business License Review</del>	<del>100%</del>	<del>Annual</del>
<del>118. Bad Check Collection</del>	<del>100%</del>	<del>Annual</del>

119. Arena Rental	50%	Annual
120. Agenda/Minute Mailing Service	100%	Annual
*121. Document Printing and Copying	100%	Annual
122. Records Research Service	100%	Annual
123. Document Certification Service	100%	Annual
124. Unspecified Service	100%	Annual
125. New Service	100%	Annual

~~\* A Minimum fee of \$10.00 shall be charged in all instances except in the cases of numbers 68, 83, 87, 88, 89, 90, 110, 111 and 121 hereof.~~

~~The hereinabove services as listed in this section are defined in that certain document entitled Cost Control System for the City of Folsom dated December 29, 1987, as produced by Management Services Institute, incorporated, and as updated by city staff.~~

~~The schedule of frequency of review of fee adjustments may be varied by the city manager to adjust revenues sufficient to meet debt service coverage requirements of any bond, certificate, or ordinance, resolution, indenture, contract, or action under which securities have been issued by the city which contain any coverage factor requirement.~~

~~The schedule of frequency of fee adjustments may be varied by the city manager, if, in his judgment and that of the requesting department head, a gross inequity would be perpetrated by the existing rate schedule on a new, and unanticipated event.~~

~~All new or increased fees and charges set pursuant to this section shall take effect ten days after adoption by the city council, except that new or increased development impact fee or charge for processing applications for development projects shall take effect sixty days after adoption. ~~has passed resolution setting the fee or charge and stipulating that all provisions of this section have been complied with, and no written appeal has been filed.~~~~

~~The schedule of frequency of rate adjustments may be varied by the city manager to adjust revenues sufficient to meet debt service coverage requirements of any bond, certificate, or ordinance, resolution, indenture, contract, or action under which securities have been issued by the city which contain any coverage factor requirement. The schedule of frequency of rate adjustments may be varied by the city manager if, in his judgment and that of the requesting department head, a gross inequity would be perpetrated by the existing rate schedule on a new, and unanticipated event. (Ord. 627, § 2, 1988; Ord. 609 § 1, 1988)~~

**SECTION 4 AMENDMENT TO SECTION 3.50.050 OF THE FOLSOM MUNICIPAL CODE**

Section 3.50.050 of the Folsom Municipal Code is hereby amended to read as follows:

**3.50.050 Statutory public meeting.**

Pursuant to California Government Code Sections ~~54992, 54994.1 and 54994.2~~ **66016 et seq.**, the city clerk shall cause notice to be provided as set out in said Government Code Sections ~~54992, 54994.1~~ **66016** and 6062a ~~and the city council periodically, and at least annually, shall receive at a public regularly scheduled meeting oral and written presentations~~ concerning the fees and charges proposed to be increased or added. Such **public meeting** notice, ~~oral and written presentation, and public hearing~~ shall be provided ~~by the city council~~ prior to **city council** taking any action on any new or increased fees or charges. ~~At least one such public hearing shall be held annually at the first regular council meeting in May. (Ord. 609 § 1, 1988)~~

**SECTION 5 REPEAL OF SECTION 3.50.060 OF THE FOLSOM MUNICIPAL CODE**

Section 3.50.060 of the Folsom Municipal Code is hereby deleted in its entirety.

**SECTION 6 SCOPE**

Except as set forth in this ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

**SECTION 7 SEVERABILITY**

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

**SECTION 8 EFFECTIVE DATE**

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 23, 2024 and the second reading occurred at the regular meeting of the City Council on May 14, 2024.

On a motion by Council Member \_\_\_\_\_ seconded by Council Member \_\_\_\_\_, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 14th day of May, 2024, by the following roll-call vote:

**AYES:** Councilmember(s):

**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

**ATTACHMENT 2**

**PROPOSED UPDATED VERSION OF CHAPTER 3.50 "FEE AND  
SERVICE CHARGE REVENUE/COST COMPARISON SYSTEM" OF  
THE FOLSOM MUNICIPAL CODE**

## **Chapter 3.50**

# **FEE AND SERVICE CHARGE REVENUE/COST COMPARISON SYSTEM**

Sections:

- 3.50.010 Intent.**
- 3.50.020 Direction to recover costs.**
- 3.50.030 Costs reasonably borne defined.**
- 3.50.040 Schedule of fees and service charges.**
- 3.50.050 Statutory public meeting.**

### **3.50.010 Intent.**

Pursuant to Article XIII B of the California Constitution, it is the intent of the city council to require the ascertainment and recovery of costs reasonably borne from fees and charges levied therefor in providing the regulation, products or services hereinafter enumerated in this chapter. It is the further intent of the city council that the fees and charges provided for in this chapter shall not be deemed special taxes under Article XIII A of the California Constitution, nor levied for general revenue purposes. (Ord. 609 § 1, 1988)

### **3.50.020 Direction to recover costs.**

The amount of fees and charges established under this Chapter shall be sufficient to recover a percentage of the costs reasonably borne in providing the services for which the fees and charges are imposed. Costs reasonably borne shall be as are defined in Section 3.50.030. The percentage of the cost to be recovered by the fee shall be at the sole discretion of the council but shall not exceed 100 percent, as set forth by Section 3.50.040 below.

### **3.50.030 Costs reasonably borne defined.**

Costs reasonably borne, as used and ordered to be applied in this chapter are to consist of the following elements:

- A. All applicable direct costs including, but not limited to salaries, wages, overtime, employee fringe benefits, services and supplies, maintenance and operation expenses, contracted services, special supplies, and any other direct expense incurred.
- B. All applicable indirect costs including, but not restricted to, building maintenance and operations, equipment maintenance and operations, communication expenses, computer



costs, printing and reproduction, and like expenses when distributed on an accounted and documented rational proration system.

C. Fixed assets recovery expenses, consisting of depreciation of fixed assets, and additional fixed asset expense recovery charges, calculated on the current estimated cost of replacement, divided by the approximate life expectancy of the fixed asset. A further additional charge to make up the difference between book value depreciation not previously recovered and reserved in cash and the full cost of replacement, shall also be calculated and considered a cost so as to recover such unrecovered costs between book value and cost of replacement over the remaining life of the asset.

D. General overhead, expressed as a percentage, distributing and charging the expenses of the city council, city manager, city clerk, elections, city treasurer, finance department, city attorney, unallocated nondepartmental expenses, and all other staff and support service provided to the entire city organization as now organized and as it may be reorganized at any time in the future.

Overhead shall be prorated between tax-financed services and fee-financed services on the basis of said percentage so that each of taxes and fees and charges shall proportionately defray such overhead costs.

E. Departmental overhead, expressed as a percentage, distributing and charging the cost of each department head and his or her supporting expenses as enumerated in subsections A, B, and C of this section.

F. Debt services costs, consisting of repayment of principal, payment of interest, and trustee fees and administrative expenses for all applicable bond, certificate, or securities issues or loans. Any required coverage factors of added reserves beyond basic debt service costs also shall be considered a cost, if required by covenant within any securities ordinance, resolution, indenture or general law applicable to the city. (Ord. 609 § 1, 1988)

### **3.50.040 Schedule of fees and service charges.**

The city council shall periodically review and make adjustments to all services provided by the various city departments to all users and the fees and charges associated with those services. The city council shall generally seek 100 percent cost recovery for these services but may, at its sole discretion, adjust fees and charges to a level below full cost recovery for reasons of economic development, community benefit, or for any other lawful purpose.

All new or increased fees and charges set pursuant to this section shall take effect ten days after adoption by the city council, except that new or increased development impact fee or charge for processing applications for development projects shall take effect sixty days after adoption.

**3.50.050 Statutory public meeting.**

Pursuant to California Government Code Sections 66016 *et seq.*, the city clerk shall cause notice to be provided as set out in said Government Code Sections 66016 and 6062a concerning the fees and charges proposed to be increased or added. Such public meeting notice shall be provided prior to city council taking any action on any new or increased fees or charges.