



STAFF REPORT

MEETING DATE: February 22, 2023

PRESENTER: Josefina Alvarez, Interim Finance Director

SUBJECT: Ordinance Adding Chapter 1.36 To Title 1 of the Kerman Municipal Code Relating to a Master Fee Schedule and Amending Section 5.04.090 Of Chapter 5.04, Section 5.24.040 of Chapter 5.24, Section 5.26.030 of Chapter 5.26, and Section 12.28.050 of Chapter 12.28 Regarding User and Regulatory Fees (JA)

RECOMMENDATION: Council by motion waive full second reading and adopt Ordinance Adding Chapter 1.36 To Title 1 of the Kerman Municipal Code Relating to a Master Fee Schedule and Amending Section 5.04.090 Of Chapter 5.04, Section 5.24.040 of Chapter 5.24, Section 5.26.030 of Chapter 5.26, and Section 12.28.050 of Chapter 12.28 Regarding User and Regulatory Fees.

EXECUTIVE SUMMARY:

On February 8, 2023, City Council waived the first reading and introduced Ordinance Adding Chapter 1.36 To Title 1 of the Kerman Municipal Code Relating to a Master Fee Schedule and Amending Section 5.04.090 Of Chapter 5.04, Section 5.24.040 of Chapter 5.24, Section 5.26.030 of Chapter 5.26, and Section 12.28.050 of Chapter 12.28 Regarding User and Regulatory Fees. At that time the Council also adopted a resolution establishing the Master Fee Schedule. That Master Fee Schedule will be effective on July 1, 2023. This is the second reading of the ordinance for adoption which will be effective 30 days after adoption.

BACKGROUND:

Historically, the City has adopted fees (other than impact fees on an ad hoc basis). The City commissioned a user and regulatory fee study which was commenced in FY 2021/22 by ClearSource Financial Consulting (ClearSource).

On November 9, 2022, the City Council received findings and initial recommendations from the fee study. The study provides an up-to-date analysis of the City's current costs of providing fee-related services. This information can be used by the City Council as it considers potential updates to fees.

On February 8, 2023, the City Council was made aware of minor changes that were made to address City Council feedback and enhance fee schedule clarity.

Staff recommended the establishment of a Master Fee Schedule by ordinance which provides that all fees are to be set by resolution amending the Master Fee Schedule. Currently, the Municipal Code specifically identifies various fee amounts. The proposed code changes continue to reference fees for service. However, instead of identifying a specific amount, they indicate that fees will be established by resolution adopted by the City Council. This will allow for updates or new fees by

resolution without numerous modifications to the Municipal Code. The proposed ordinance also makes edits to current Municipal Code provisions with fee language inconsistent with the proposed Master Fee Schedule. The proposed ordinance was introduced at a first meeting on February 8th, 2023 and brought forth for the subsequent regular meeting of the Council.

FISCAL IMPACT:

Additional revenues expected from the Proposed Master Fee Schedule are intended to offset the cost of providing existing services associated with those fee-related regulatory functions and other programs. Additional fee revenue is not intended to fund new services. Fairly allocating costs to the services provided and recovering some, or all, of these costs from service recipients creates value and predictability for City customers and reimburses the City for services provided to a single party, as compared to the public at large. Recovering costs:

- Increases the availability of General Fund revenues to be used for services and activities available to all residents and businesses, such as public safety and public works services.
- Helps meet fee-payer service level expectations by collecting fees to fund the existing level of services provided.

ATTACHMENTS:

A. Ordinance