



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA HACN

Regular Special

Meeting Date: December 9, 2025

Title: Professional Services Agreement with Willdan Financial Services for a Comprehensive Fee Study

Background: Cities are entitled to recover the costs of providing services to city residents where participation in the service is elective and voluntary. These city-provided services include programs such as recreation classes, planning and permit services, and the many other services that the City provides to residents as shown on the Adopted Fee Schedule (attached).

However, under state law, it is not possible for cities to charge more than the cost of providing these services. If individual fee levels recover more than the cost of providing a particular service, the excess recovery is considered a tax, and the excess fees must be refunded to users. Therefore, it is imperative that cities regularly complete Comprehensive User Fee Studies and update fee schedules annually to legally demonstrate that fee levels are limited solely to cost recovery.

The City last completed a Comprehensive Fee Study by an outside consultant at least five years ago. When the current fee schedule was adopted by Council in July 2025, staff indicated that it was time to complete another Comprehensive Fee Study due to several factors: the length of time since the last study, structural changes in departmental staffing, and the fact that the City’s fees have likely not kept pace with high inflation experienced since the pandemic. At that time, Council was advised the July adjustments were interim and that a full Comprehensive Fee Study would be required this fiscal year to ensure compliance with cost-recovery requirements. Those July adjustments were based on CPI and limited cost factors, not a recalculation of true service delivery costs, which further underscored the need for a comprehensive analysis.

In October 2025, the Finance Department issued an RFP on Planet Bids for a Comprehensive Fee Study. The City received proposals from three firms: Willdan Financial Services, Matrix Consultant Group, and NBS Financial Consulting Group. All three firms met the mandatory and technical requirements, including scope, desired timeline, and deliverables. Since all firms are highly qualified, Finance recommends that City Council approve the proposal from the low bidder, Willdan Financial Services (Willdan).

Comprehensive fee studies are recommended every 5–7 years. As part of the scope of the project, Willdan will provide City staff an excel-based tool, so that staff can accurately update fees annually for inflation, personnel or staffing changes, other structural staffing changes, and approved MOU increases in the intervening years between full fee studies. This will ensure that Council-mandated fee recovery levels, as codified in the Needles Municipal Code, are met each year without over-recovering the cost of providing these services.

Fiscal Impact: The fixed cost of the contract with Willdan is \$34,845 and can be funded from existing appropriations within the Finance Department budget.

Environmental Impact: None.

Recommended Action: Authorize the City Manager to execute a professional services agreement with Willdan Financial Services for a Comprehensive Fee Study.

Submitted By: Jill Taura, Interim Finance Director

City Manager Approval: Patrick J. Martinez

Date: 12/4/2025

Other Department Approval (when required): _____

Date: _____