



Date: September 13, 2022

Honorable Mayor and Council Members:

Author and title: Regina Wise, Finance Manager;

Title: **Fee Schedule Update**

Approved By: _____ Jen Callaway, Town Manager

Recommended Action: Conduct a Public Hearing and adopt Resolution 2022-57 approving an inflationary adjustment, additions, and corrections to the Town Wide Fee Schedule.

Discussion: It is Council policy, with few exceptions, to recover the full cost of services provided to the public. Council's policy which was affirmed in 2007, and based on community input, is to increase the fees on an annual basis to avoid a substantial fee increase at any time, if possible.

Annually the town implements the Consumer Price Index (CPI) for the San Francisco and Oakland regions from February to February. The cost-of-living adjustment for February 2021 to February 2022 is 5.2% and has been applied to the fees in the attached schedule, that can be increased. There are many services provided by the town that are regulated by the State and the Town does not have the authority to increase these fees.

There are also penalties listed on the schedule that are not annually adjusted. These penalty fees or fines listed are punitive and not meant to recover costs. The increasing of fines is considered less often as it requires printing of new ticket books each time changes occur.

Changes to the fee schedule are illustrated in Attachment B, most of these fees are increased by 5.2%, and rounded off. Only fees that have been adjusted, corrected, or added outside the inflationary increase are shown in red.

In an effort to assist our building community, all fees, except the new Housing Fees which are discussed in more detail below, will become effective December 1, 2022. This will allow new fees to be incorporated into projects for the Spring 2023 construction season. The Housing Fees will become effective 30 days from the adoption of Resolution 2022-57, proposed on October 13, 2022.

Specific fee schedule changes are listed below:

Code Compliance: (Page 4, Attachment B) Staff is proposing an addition of set fees per Government Code section 36900 for the ability to impose a fine for violation of Building and Safety codes. A first violation would impose a fine of \$130, a second violation of the same ordinance within a year would impose a fine of \$700, and a fine of \$1,300 would be imposed on each additional violation of the same ordinance within one year of the first violation. Additionally, a fee of \$2,500 is being proposed for each additional violation of the same ordinance provision within two years of the first violation if the property is commercial. Examples of Building and Safety code violations include construction or grading work without a building permit, or work continuing in violation of a stop work order.

This would align the Town of Truckee fines with California Government Code (CGC) section 36900. CGC section 36900 was amended to allow these changes in 2018 with AB 2495. Staff is proposing to make these changes now due to assess larger fines for building code violations because our current fine structure (\$100,\$200,\$500) is not aggressive enough to deter some violators from continuing to violate the Building and Safety Code.

Housing: (Page 8, Attachment B) Staff will be presenting updated program guidelines for the Housing Division's Truckee Home Access Program (previously called the Below Market Rate Housing Program) as part of this meeting. They are proposing three fees be added to the Town's fee schedule to recover administrative expenses incurred with maintaining this program associated with handling various transactions that can occur with the properties participating in this program, specifically for refinancings and transfers of properties. The three fees are as follows:

- Staff is proposing an Annual Leasing Fee of \$300.
- Staff is proposing a Refinance Fee of \$300.
- Staff is proposing a Resale Fee of \$3,000.

These fees were developed in conference with the Town's contractor on this project, Housing Inc. and are designed to recover the administrative costs of facilitating these processes, without discouraging applicants.

Because there is a desire to get this program up and running as quickly as possible, staff is recommending that the effective date of these housing fees be as early as allowed. In compliance with California Government Code, these fees can become effective 30 days from adoption, which would be October 13, 2022.

Police: (Pages 10, Attachment B) For clarity staff is recommending updating the description for "Weapon Storage" to "Weapon and Ammunition Storage" to both the base fee and monthly fee.

Community Development, Planning fee Schedule: (Pages 14, Attachment B) In 2021 Council approved setting deposits to increase in \$250 increments once the cumulative annual CPI adjustments reach an increase that rounds to the nearest \$250. This is to keep up with CPI adjustments to the hourly staff rate and increases to cost of services provided by subcontractors charged to the deposits. Having a sufficient deposit on hand reduces additional administrative expenses and project delays that can occur when having to request additional deposit amounts from the applicant. Excess funds are refunded to the customer. With the compounding of CPIs from 2021 (1.6%) and 2022 (5.2%) some deposit amounts have increased \$500. Those fees are as follows; Annexation Review, General Plan Amendment, Historic Demolition Review, Mitigating Monitoring – Long Term, Planned Development, Specific Plan/Master Plan Amendment, and Specific Plan/Master Plan Proposal. Staff has reviewed these fees and agrees with the increased deposit amounts as proposed.

Building Miscellaneous Fees: (Page 38, Attachment B) Staff is proposing to update the plan check and inspection fee for Deck or Patio Cover, in 2021 there was an administrative error in the calculation of the Plan Check fee and then Inspection fee. The current proposal included in Attachment B resets these to be in alignment with one another accordingly.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: There is an increase in some fees for services by 5.2%. These fees will offset the additional cost incurred by the Town in providing these services.

Public Communication: This staff report and a notice of public hearing, which was published in the Sierra Sun on Friday September 2, 2022 and Friday September 9, 2022.

Staff has communicated with the Contractor's Association of Truckee Tahoe on this item.

Attachments:

Attachment A – Resolution 2022-57

Attachment B – Town Fee Schedule