



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** March 7, 2023  
**SUBJECT:** Public Hearing and Consideration of Resolution Adopting an Updated User Fee Schedule

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**Description** Specific service fees to be updated based on comprehensive user fee study. The adoption of this Resolution is exempt from the California Environmental Quality Act ("CEQA," Public Resources Code Sections 21000 *et seq.*), because it approves and sets forth a procedure for determining fees for the purpose of meeting the operating expenses of City departments, as set forth in Public Resources Code Section 21080(b)(8)(A) and Section 15273 of the California Environmental Quality Act Guidelines.

### **Background and Analysis:**

On September 20, 2022, staff brought forth a cost of services study for direction on a proposed new fee schedule. Staff used recommendations from City Council to work with Revenue and Cost Specialists (RCS) to complete the proposed new fee schedule changes. The study accounts for all revenue but focuses on the relationship between fees and taxes. RCS then determined what total service costs for each fee are and whether the revenue received supports the total cost or if the service is subsidized by taxes.

RCS suggests that services that are Personal Choice as opposed to Community Supported Services should be paid for by the service requestor rather than subsidized by the entire community, however, the City Council has final decision on the nature of the service and whether it deserves to be subsidized.

On December 20, 2022, City Council was presented options for possible fees relating to the Community Services Department including sports field fees and facility rental fees. The discussion on that night included edits to the proposed Sports Field Policy Handbook, revisions to the proposed fee schedule, and the residency requirements for discounted fees that would apply to Youth Non-Profit Organizations. The goals of the discussion with City Council were to present proposed fees in a way that would allow for

some cost recovery, but also consider the impact it may have on non-profit organizations and the services they provide the community.

On January 17, 2023, the City Council discussed with staff proposed recreation fees. New fees have been suggested to offset public expenses to operate, maintain, supervise, and administer the use of park and athletic facilities. At this meeting, the City Council approved the Sports Field Policy Handbook which will assist the Community Services Department with the direction of applying fees to the sports fields.

On February 7, 2023, the City Council reviewed the proposed fee changes (not including recreation fees), that have been recommended from the cost of services study. At that meeting, the City Council recommended to change the Minor Special Event Permit from the recommended \$1,288 per application to a staff recommended reduced amount. Staff is recommending making the Minor Special Event Permit to a deposit-based fee of \$500.

Included in this report is the recommended changes for all fees. Any fees that had not been reviewed prior were posted to the City's website for review at least 10 days prior to this meeting which includes suggested new fire fees and recreation fees.

### **Public Notice Requirement**

The user fees include both development and non-development fees. A public hearing is required for fee revisions. A public hearing notice was published in accordance with California Government Code section 6062a for a hearing at this March 7, 2023, regularly scheduled City Council meeting to adopt a resolution that confirms and updates the user fees and changes. The notice was published in the Press-Enterprise on February 25, 2023.

### **Effective Date and Future Fee Updates**

Staff is recommending an effective date of July 1, 2023. It is a recommended best practice that a comprehensive review of cost of services and fees be performed every three to five years. Annual fee adjustments will be made utilizing the current CPI factor.

### **Fiscal Impact:**

Approving the updated recommended user fees and charges will allow the City to improve its ability to seek full cost recovery for most City services. Actual cost recovery is dependent upon actual activity for those services.

Overall revenue increases are difficult to estimate, due to the change in activity levels from year to year. RCS has provided a possible new revenue amount with these changes of \$702,300.

**Recommended Action:**

Hold a Public Hearing, and

Waive the full reading and adopt by title only, "A Resolution of the City Council of Beaumont Adopting a Comprehensive User Fee Study and Adopting a Comprehensive Fee Schedule Establishing User Fees for Certain Specified Services."

**Attachments:**

- A. Resolution Adopting Fee Study and Fee Schedule
- B. Exhibit A of Resolution
- C. Exhibit B of Resolution
- D. Cost of Services Study for the City of Beaumont
- E. Public Notice