



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** February 7, 2023  
**SUBJECT:** Discussion of Fee Study for Cost of Services

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**Description** Review and provide feedback on proposed changes to current fee schedule.

### **Background and Analysis:**

On September 20, 2022, staff brought forth the 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 has justification to be subsidized.

Attached are the results of the new fee schedule recommendations less, leisure and cultural. Leisure and cultural fees will be brought back to the City Council at a future date for further discussion. Building and safety fees are detailed in Schedule C and fire prevention is detailed in Schedule D attached. If all RCS recommendations and suggestions are adopted, the City would potentially raise revenues by \$702,300 on an annual basis. The table on page 35 of Attachment D shows that the City is subsidizing \$1,145,164 of Personal Choice Services with City tax dollars when not including the leisure and cultural subsidy. Should the City Council determine that tax dollars are insufficient, or use for different purposes, this report has shown that there are opportunities to either increase the user fees or lower the cost of Personal Choice Services.

**Staff Proposed Changes:**

Staff is recommending two additional changes to the proposed fee schedule changes. Staff is suggesting a subsidized fee of \$10 to \$15 for VIN verification services (REF No. S-118 in Public Safety Services). This fee is in alignment with other agencies. Staff is also suggesting the Massage Technician Permit (Ref No. S-124) fee to be in alignment with the proposed Massage Establishment Permit (Ref No. S-126).

Staff is recommending discussion and direction on which proposed fee changes would be implemented for the new fee schedule. Once agreed, the proposed fee schedule will then be presented in a future meeting with a public hearing.

**Fiscal Impact:**

There is no fiscal impact until the fee schedule is updated and adopted. The cost to prepare this report is estimated to be \$536.

**Recommended Action:**

Review and make recommendations to the proposed fee schedule changes.

**Attachments:**

- A. Schedule of Fee changes
- B. RCS – Schedule C – Building and Safety
- C. RCS – Schedule D – Fire
- D. Cost of Services Study for the City of Beaumont