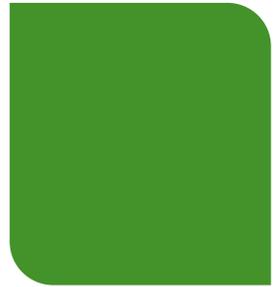


City of Petaluma

User Fee Study



What are User Fees

- Provide private benefit with limited or no community benefit
- State law requires that 1) individual use of the service must be voluntary, and 2) fees must reasonably relate to the services provided
- Fee levels & cost recovery determined through City Council fee adoption
- Does not include development impact fees, utility rates, taxes, etc.

Why Update User Fees

- Subsidies in services impact the General Fund
 - Private & specific benefit services are subsidized by general fund
 - Reduces ability to fund general benefit activities like public safety & community events/programs
- Decreased department funding can impact service quality/delivery
- Cost recovery knowledge and planning
 - Provides clarity of pressures on City resources
 - Enables City to strategize and set fees to benefit of the City and community
 - State requirements for reasonable cost-based fees

User Fee Objectives & Steps

- Determine full cost of providing services or programs
 - Review fee schedules based on service delivery
 - Identify potential new fees (not currently collected)
 - Remove or restructure obsolete fees
 - Using fully-burdened rates, calculate full cost recovery
- Update fees for services based on cost analysis
 - Incorporate or establish cost recovery goals
 - ✓ Subsidies allow access to services and can facilitate compliance
 - Identify appropriate fee levels that:
 - ✓ Enhance reasonability and applicability
 - ✓ Maintain consistency with local policies and objectives
 - ✓ Maintain legal compliance with state law

Scope of the Study

- Review and calculate cost of providing services and related fees charged by the following departments and fee groups:
 - Administrative
 - Airport
 - Building
 - Planning
 - Housing
 - Recreation
 - Fire
 - Police
 - Public Works
 - Marina

Data & City Staff Participation

- Primary types of data used:
 - Expenditure data
 - Staffing structures
 - Central service/Indirect overhead
 - Productive/billable hours
 - Time estimates to complete tasks
 - City/Department input, feedback and policies
- Staff support throughout process essential to ensure analysis fidelity

Cost of Service Calculation

- Primary types of data used:
 - Salary & Benefits
 - Services and supply costs
 - Indirect support costs
 - System and maintenance costs
- Hourly rates structured to account for direct work hours



Summary Steps of the Study



Administration

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Suggested fee notes:
 - An increase to 10 fees
 - 21 fees would remain as currently set
 - Average fee increase of 20%

Airport

- Program cost analysis performed along with time based fees for select City staff provided services
 - Operations found to be at around 98% cost recovery
- Suggested fee notes:
 - An increase to 1 fee
 - 12 new fees would be added
 - 34 fees would remain as currently set with hanger fees changing from per sq ft to a flat rate by category

Airport

New Fee	Fee Information	FY 2025 Fee Amount
Hanger Fee: Executive Hanger Commercial Use	Per SF per month	1.5 times Non-Commercial Rate
Hanger Fee: Tie Down – Multi-Engine (piston)*	Per Month	\$90.00
Hanger Fee: Tie Down – Multi-Engine (piston)*	Daily	\$15.00
Hanger Fee: Tie Down – Turbine Engine (propjet/jet)*	Per Month	\$135.00
Hanger Fee: Tie Down – Turbine Engine (propjet/jet)*	Daily	\$45.00
Fuel Flowage Fee	Per Gallon	\$0.14
Rental Car Fee	Each	10% of Contract
Airfield Access Fee	Per Day	\$7.00
Temporary Commercial Use Fee – General	Daily	\$50.00
Temporary Commercial Use Fee – Aircraft Services	Daily	\$74.00
Airport Staff Support	Per Hour	FBHR
Ground Lease Non-Aeronautical	Per SF per month	\$0.75

*Replacing existing fees: realigning fee structure

Building

- Time based analysis for flat fee services.
- Building fees have not been adjusted since the 2015 fee study adoption
- Suggested fee notes:
 - An increase to 27 fees
 - 2 fees would decrease
 - 6 new fees would be added
 - 28 fees would remain as currently set
 - Average fee increase of 78%
- Program analysis for Building Permits
 - Analysis determined current cost recovery is at 60%
 - Recommendation is to set program at full cost recovery

Building

New Fee	Fee Information	FY 2025 Fee Amount
Other Inspections and Fees		
Code Enforcement Re-Inspection Fee		\$227
Alternate Method and Materials Request (AMMR)		\$1,079
Permit Extension		\$247
Temporary Certificate of Occupancy		\$495 plus possible bond
Board of Appeals Meeting Fee		\$1,704
CASP Consultant		Actual Cost plus \$228

Planning

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Some services are deposits based to recover full cost
- Suggested fee notes:
 - An increase to 10 fees
 - 44 fees would remain as currently set
 - Average fee increase of 1%

Housing

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Suggested fee notes:
 - 7 new fees would be added to recover costs associated with monitoring/administering housing projects/programs

Housing

New Fee	Fee Information	FY 2025 Fee Amount
Base Monitoring Fees		
Monitoring by City	Assumes clean monitoring process with no major findings	\$308
HCD/HOME and Other Programs; Program Monitored by City		\$679
Loan Origination Fee	1% of Total Loan, Staff time for loans of \$500k and under	\$17,957
Regulatory Agreement Modifications w/Council Approval		\$6,733
Per Unit Compliance for Density Bonus and IH Program Rental		\$168
City Owned Homes		\$673
Homeownership - Single Family	Loan Payoff, Subordination, deed of trust reconveyance	\$448

Recreation

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Services typically bear large subsidization
- Suggested fee notes:
 - An increase to 74 fees
 - 9 new fees would be added
 - 20 fees would remain as currently set
 - Average fee increase of 10%, subsidy of 81%

Recreation

New Fee	Fee Information	FY 2025 Fee Amount
Ball Field Rentals		
Baseball Fields Rental Long-Term (PCSF): Synthetic Turf; Baseball Field (Short Term, Resident)	Per Hour	\$103
Baseball Fields Rental Long-Term (PCSF): Synthetic Turf; Baseball Field (Short Term, Non-Resident)	Per Hour	\$156
Baseball Fields Rental Long-Term (PCSF): Synthetic Turf; Baseball Field (Daily, Resident)	Per 12 Hours	\$604
Baseball Fields Rental Long-Term (PCSF): Synthetic Turf; Baseball Field (Daily, Non-Resident)	Per 12 Hours	\$1,209
Food Vendor / Food Truck		\$25-150 depending on event
Pickleball – per Team		\$560-\$921
Non-Profit Park Rents		25% off private event rate
Inflatable Fee		\$30
Compost Contamination Fee		\$125

Fire

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Suggested fee notes:
 - An increase to 74 fees
 - 53 fees would decrease
 - 3 new fees would be added
 - 9 fees would change in charge methodology
 - 14 fee would remain as currently set

Fire

New Fee	Fee Information	FY 2025 Fee Amount
Fire & Life Safety Plan Review and Inspection Fees		
Minor Re-Review Fee for as-built plans		\$81
Expedited Plan Review	4 hour minimum, OT after normal hours	\$1,185
Fire Permit Inspections Annual Permit Fees		
Large Tents, air supported structures and canopies	4 hour minimum	\$655

Police

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Suggested fee notes:
 - An increase to 16 fees
 - 9 fees would decrease
 - 3 new fees would be added
 - 13 fees would remain as currently set
 - Average fee increase of 16%

Police

New Fee	Fee Information	FY 2025 Fee Amount
Digital Media & Photos		
Flash Drive (128-256 GB)		\$22
Flash Drive (257-512 GB)		\$107
Flash Drive (1 TB)		\$153

Public Works

- Time based analysis using fully burdened hourly rates and the time it reasonably takes to provide service
- Suggested fee notes:
 - An increase to 11 fees
 - 1 fee would decrease
 - 1 new fee would be added
 - 5 fees would remain as currently set
 - Average fee increase of 29%

Public Works

New Fee	Fee Information	FY 2025 Fee Amount
Encroachment - Tree Removal Permit		\$1,185

Marina

- Program cost analysis comparing the cost of services against the revenue received
 - Analysis found cost recovery to be about 81% currently
 - There are no recommended fee changes

Utilities – AMI Opt-Out Fee

Advanced Metering Infrastructure (AMI) Opt-Out Fee

- Award of contract to Professional Meters to upgrade City's meter technology from Automated Meter Reading (AMR) to AMI
- AMI water meters leverage existing radio or cellular networks to transmit data directly to the City, eliminating need for staff drive-bys
- Customers with concerns about wireless technology can opt-out of upgrade to AMI
- Monthly fee of \$20 if opting-out of upgrade; partially covers costs to manually read water meter plus maintain/service these older meters
- This fee was not part of the Willdan fee study, but was calculated using same methodology

Policy Considerations

- General standard: individuals or groups who receive private benefit from service should pay 100% of cost
- In certain situations, subsidization is an effective public policy tool:
 - Encourage participation
 - Ensure compliance when cost is prohibitive to residents
 - Promote access to services
- Recommend that City utilize inflation factor to annually adjust fees based on CPI, MOU, or another factor
- Comprehensive analysis every 5 years

Questions

