



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Arturo Vela, Interim City Manager

**PREPARED BY:** Nate Smith, Deputy Director of Public Works/City Engineer

**MEETING DATE:** October 14, 2025

**SUBJECT:** Review of the Updated City of Banning User Fee Handbook

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### **RECOMMENDATION:**

Provide direction to staff and the City's consultant

### **BACKGROUND:**

City Council approved Resolution 2024-92 on June 11th, 2024 that approved a professional services agreement with Matrix Consulting Group LTD for the Comprehensive User Fee and Impact Fee Study. This study would provide an update to both the User Fees assessed by the City of Banning for services provided to the public, as well as updates to the Development Impact Fee program. The workshop today will focus on the update to the Comprehensive User Fees.

The previous Comprehensive User Fee study was completed and adopted by City Council with Resolution 2019-113 on December 10, 2019 and Ordinance 1553 adopted on January 14, 2020. Copies of these documents are attached as reference to this staff report. It is necessary to evaluate and complete a comprehensive update every 5-7 years to ensure that user fees are in line with the costs to provide services, as well as the policies of the City Council. A full background of the analysis is available in the DRAFT Comprehensive User Fee Study Report, attached to this staff report. Below are a sample of work that was completed and recommendations in the report for City Council's consideration.

To create the proposed user fees for services, the consultant performed the following tasks:

- Department/Program Staff Interviews
- Data Collection
- Cost Analysis
- Review and Approval of Results with City Staff

The report identified that there is a discrepancy between the cost of services provided and the user fees collected for those services. The establishment of policy related to cost recovery and level of assessment is at City Council's discretion with input from this report, City staff, and the general public.

Matrix Consulting has made the following recommendations, which are detailed in the report:

- Review cost recovery policy (BMC 3.26.080)
- Adoption of an annual fee update/increase mechanism

Matrix Consulting and City staff are looking for direction and/or concurrence on the draft findings presented in the report. Those comments will be incorporated in the final document. Staff anticipates bringing the Comprehensive User Fee Study to the October 28th Regular Meeting of the City Council, but that date is subject to change based on City Council's input and direction

**JUSTIFICATION:**

The current user fees were established in 2019 and have not been adjusted since that time. It is necessary from time to time to update the user fees to reflect current labor costs and time requirements for City staff to complete tasks and recover costs associated with performing these City functions.

**FISCAL IMPACT:**

None at this time. Fiscal impact will depend on direction received from City Council and more detail will be provided at the Public Hearing on October 28.

**ALTERNATIVES:**

n/a

**BUDGETED?:**

No

**CONTRACT/AGREEMENT:**

No

**ATTACHMENTS:**

1. [Resolution No. 2024-092.pdf](#)
2. [Resolution No. 2019-113.pdf](#)
3. [Ordinance No. 1553.pdf](#)
4. [DRAFT Banning FY26 Fee Study Report.pdf](#)
5. [DRAFT Banning Master Fee Schedule.pdf](#)
6. [BMC 3.26 FEE AND SERVICE CHARGE REVENUE-COST COMPARISON.pdf](#)