

CITY OF COOS BAY CITY COUNCIL

Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
July 21, 2026	5.c

TO: Mayor Benetti, Council President DiNovo, and City Councilors

FROM: Chelsea Schnabel, Community Development Director

THROUGH: Nichole Rutherford, City Manager

ISSUE: Discussion Regarding Community Development Fees and Cost Recovery

SUMMARY:

Community Development Department fees are not aligned with current cost of services. Staff seeks Council direction on how to proceed with adjusting these fees, now and annually in the future.

ACTION REQUESTED:

Provide staff direction on the following:

1. How to proceed with adjustments to the fee schedule:
 - Maintain current fee structure.
 - Set flat fee rate at 75% to 100% cost recovery.
 - Adopt a complete cost-recovery model with base fee plus hourly rate.
2. Whether to adjust all fees or only certain fees (identify which fees to adjust).
3. Whether to use the Municipal Cost Index (MCI) or the Consumer Price Index (CPI) or the Employment Cost Index (ECI) as the basis for future annual fee adjustments.

BACKGROUND:

Staff completed a cost recovery analysis of Community Development Department services and fees and found that the City, through the General Fund, currently subsidizes these fees at a rate of 50% or more. The Finance Department has reported an approximate 24% increase in covered costs over the past two fiscal years with costs likely to continue increasing over time. The need for a one-time adjustment to the fee schedule is necessary to alleviate the current drain on the General Fund. Implementing an annual inflation mechanism is vital to ensuring the adjusted fees stay on pace with the continued increase in cost of services.

Index	Description	Pros	Cons
CPI (Consumer Price Index)	Measures average price changes for household goods/services	Well-known and easy to explain; data is public and updated monthly	May not reflect actual municipal cost drivers (i.e. materials, utilities, wages)
MCI (Municipal Cost Index)	Reflects changes in costs specific to city operations	More accurate reflection of city expenses (labor, equipment, fuel, materials)	Less familiar to the public; data access may require subscription

ECI (Employment Cost Index)	Reflects changes in wages, salaries, and employee benefits	Good indicator for services tied to planning, engineering, and building; stable and less volatile than CPI	Less familiar to the city and the public; does not account for non-labor costs such as supplies, software, vehicles, and fuel
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BUDGET IMPLICATIONS:

The budgetary impact will vary depending on Council's direction, with potential increases in revenue from fee adjustments offsetting operational cost growth and improving cost recovery for City services.

ATTACHMENT(S):

- Coos Bay CDD Fee & Cost Recovery Presentation (July 2026).pdf