Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: April 21, 2026

Submitted by: Jerry Griggs

From: Finance

Subject:
ADOPTION OF PROPOSED COMPREHENSIVE FEE AND RATE SCHEDULE

Financial Impact:
Fiscal Impact:
The proposed fee changes as of July 1, 2026, are intended to recover the cost of providing existing services associated with fee-related regulatory functions and other programs.

Summary:
The City of Placentia is responsible for providing a variety of services to its citizens. Services that support the general public, such as public safety services are supported by tax and other non-fee revenues, while services that are more elective in nature and have specific individual beneficiaries are typically supported by user fee charges. User fee-related services are provided by many City departments, but tend to be more heavily concentrated on Planning, Building, Engineering and Community Services. By law, user fees must not exceed the City's cost to provide the service. The City Council can choose to set fees that fully recover the cost of service or place said fees at lower levels that provide a level of subsidy or alternatively reduce costs by reducing the level of service provided.

Annually, the City reviews its fees and makes adjustments to ensure fees are consistent with industry best practices and city processes, account for inflation and may also add new fees resulting from new programs and/or changes in service delivery. This consistent review and adjustment of fees provides multiple benefits, including:

- Increasing the availability of General Fund revenues to be used for services and activities available to all residents and businesses, such as public safety services.
- Keeping pace with general cost inflation.
- Avoiding fee spikes that are more likely to occur when municipalities leave fees unchanged for a multi-year period.
- Providing fee payers, City staff, and City policymakers with a pattern of consistency that provides information for forecasting and decision-making purposes.
- Helping to meet fee-payer service level expectations by collecting fees to fund the existing level of services provided.
- Encouraging generational equity among fee payers by avoiding long-term stagnation of fees followed by significant fee increases.

The City engaged Clear Source Financial Consulting to conduct a comprehensive fee study in 2022. Prior to that, fee studies were completed in 2018, 2012 and 2007; Prior to 2007, the City's fee schedule had not been updated since 1990.

Following Clear Sources' recommendation to review and adjust fees annually, Staff is proposing an adjustment of all fees by 3.0%, the CPI for All Urban Consumers (Los Angeles-Long Beach-Anaheim, CA) for February 2026.

Recommendation:
Recommended Action: It is recommended that the City Council:

1. Open the Public Hearing to consider amending the Placentia Comprehensive Fee Schedule for certain fees, rates, and charges for various City user services; and
2. Receive the Staff report, consider all public testimony, and discuss the proposed fees; and
3. Close the public hearing; and
4. Adopt Resolution No. R-2026-18, a Resolution of the City Council of the City of Placentia, California, establishing and adopting certain City fees, rates, and charges for various City services with an effective date of July 1, 2026, for Fiscal Year 2026-27.

Strategic Plan Statement:
This item aligns with Strategic Goal No. 1: Fiscal Sustainability, to ensure long-term financial health by responsibly managing resources, investing wisely, and maintaining a balanced budget that supports high-quality services for the community.

Discussion:
The proposed fees are intended to comply with applicable federal, state, and local laws including providing confirmation that the proposed fees and charges are not a tax as defined in Article 13C of the California Constitution and that the proposed fees are no more than necessary to cover the reasonable costs of the City's activities and services addressed in the fees. Additionally, the manner in which the costs are allocated to a payor bear a fair and reasonable relationship to the payor's burdens on, or benefits received from the activities and services provided by the City.

The City engaged Clear Source Financial Consulting to conduct a comprehensive fee study in 2022. Following their recommendation, staff is proposing an adjustment of all fees by 3.0%, the CPI for All Urban Consumers (Los Angeles-Long Beach-Anaheim, CA) for February 2026.

Other changes proposed to the fee schedule are outlined below.

Community Services
For FY26/27, Staff is proposing the addition of fees including "Aquatic Birthday Party Package" for $300-399, "Adult Soccer League (5v5)" for $429, "Senior Excursions" ranging from $35-150, and a revised format for Facility Rentals that is now separated into "Resident, Non-Profit w/Residency, Non-Profit w/o Residency, and Non-Resident" fee formatting.

Public Works
For FY26/27, Staff is proposing the addition under "Address Issuance" of "Utility pedestals & ADUs" fee to recover the cost of Staff time to research and issue addresses. Requests for addresses can vary in nature from simple requests such as utility pedestals or accessory dwelling units (ADUs) to more complex requests which take more time to research and

process such as single-family residences and large development projects such as the Cenza. This creates a third category of fees to be charged based on differences in Staff time needed to complete the request. The proposed fee is $171 for “Utility pedestals & ADUs”.

Police Department

For FY26/27, Staff is proposing the addition of fees for annual dog licensing including “Neutered” for $51, “Neutered, Senior Citizen discount” for $25 and “Neutered, Military discount” for $25. These fees are currently being charged at a lower rate, which has not changed since 2018, by the County and this proposed change to the rate is for cost recovery purposes only.

Attachments

1. Resolution No. R-2026-18 - Fee Update for FY 26.27.docx
2. Public Hearing Notices for Fee Study.pdf

Master Fee Schedule 4.21.26.pptx

Master Fee Schedule - 4.21.26 updated.pdf