



City Council Staff Report

Subject: Establishment and Amendment of City Service Fees (Second Reading of Ordinance)

Date: October 10, 2023

Submitted By: Megan Bressem, Management Analyst
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:

- A. Adopt, Waive the Full Reading and Read by Title an Ordinance of the City Council of the City of Rocklin Repealing and Replacing Section 3.32.050 of the Rocklin Municipal Code Related to the Establishment of Service Fees.
- B. Adopt a Resolution of the City Council of the City of Rocklin Amending the Schedule of Fees for City Services (Rocklin Municipal Code Chapter 3.32) and Repealing Resolution No. 2022-208.

Background:

Pursuant to Rocklin Municipal Code (RMC) Chapter 3.32, the City maintains a service fee cost comparison system for the purpose of recovering some or all of the costs reasonably borne of providing services of a limited nature through fees for those services, so that general taxes are not diverted from general services of a broad nature and utilized instead to subsidize such services of limited benefit.

California Government Code Section 66016 requires that fees charged by a local agency may not exceed the estimated cost of providing the service or regulatory act for which the fee is being charged. Indirect costs may be included. The fundamental purpose of the City's service fees is to reduce subsidies from the City's General Fund for the cost of services that do not benefit the whole community.

Annually, the City conducts a Fee Study of these service fees. The Fee Study consists of staff reviewing and updating the amount of each service fee, identifying new fees, and removing fees that are no longer needed. It is important to annually conduct the Fee Study to ensure that those parties that personally benefit from City services pay the full cost of the service. Paying less than the full cost effectively transfers the cost of service to the City's General Fund.

Changes to City service fees are driven by 3 factors: 1) changes to the fully burdened hourly

rates, 2) adjustments to the staff and time required to perform a fee service, and 3) increasing the cost recovery percentage to approach 100% recovery where possible.

In order to meet the legal requirements for service fees, the fee amounts are developed by a detailed analysis to determine the cost to provide each service based on the time spent by all City staff involved in providing the service. Staff determines the “Fully Burdened Hourly Rate” of every City position. This rate includes salary, benefits, and direct and indirect overhead expenses based on the City’s Fiscal Year 2023/24 Operating Budget. Staff from the appropriate department provide the time spent by each staff member to complete their part of a fee task. Attachment 3, Exhibit A to the Resolution, lists the fees and cost recovery for each service fee, as well as the fully burdened hourly rates.

On September 26, 2023, the City Council introduced an Ordinance to revise the RMC Chapter 3.32 pertaining to the City's service fees. The Ordinance establishes the services that the City provides for a fee. As part of the presentation package for that Ordinance, the City Council received a draft of the Resolution that sets the amounts of the fees to be charged and the full cost of providing each fee service. At this time, the Ordinance, included as Attachment 1, and the Resolution, included as Attachment 2, are presented for adoption.

The Ordinance establishes the services that the City provides for a fee. Staff propose updating the Ordinance in order to update the list of fees. The updated Ordinance lists twenty (20) new fees and removes twenty-two (22) existing fees. Thirteen (13) of the fees to be removed are being combined into five (5) new fees, mostly driven by the consolidation of all paper document reproduction fees. The changes will lead to a fee schedule that more closely matches the delivery of services.

At the September 26th meeting, the City Council held a public hearing regarding the proposed service fees. After discussion, the City Council requested to remove the proposed First Responder Services Waiver Fee, which is reflected in Exhibit A of the Resolution.

If adopted, the fees set forth by the Resolution will go into effect January 1, 2024.

Fiscal Impact:

Approval of the attached Ordinance and Resolution will allow for the continued recovery of costs for specific programs and services at the most current rates as determined by the Fee Study.

ATTACHMENTS:

1. [Ordinance - Service Fees 2023-24](#)
2. [Resolution](#)
3. [Exhibit A to Resolution - Fee Schedule](#)