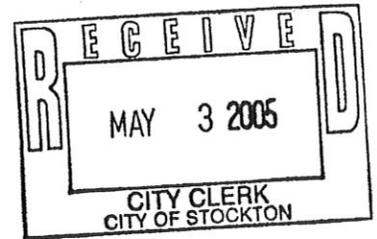


2005-05-10

05-11-001



**MEMORANDUM**

April 18, 2005

TO: Mayor and City Council  
FROM: Mark Lewis, City Manager  
SUBJECT: **PROPOSED FEE SCHEDULE 2005-06**

Attached is the proposed 2005-06 year fee schedule.

The fee schedule is modified each year through a combination of factors. Principally, the annual adjustment for the fees is based on the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers' United States City Average (CPI-W) for the twelve month period concluding with the November index of each preceding year. The change in CPI from November 2003 until November 2004 was 3.7%.

A rounding policy is published with the fee schedule to ensure uniformity in calculating fees; however, some fees will not correspond to these guidelines. For example, due to the type of facility no small change fund may be kept at a collection point, and also cash handling may need to be simplified. Some fees within the \$0.10 to \$1.50 range may not increase when applying the rounding formula and will be reviewed next year in terms of a two year adjustment. Others remain unchanged due to control by other agencies or discretionary decisions by departments. In 2003-04, City Council adopted a policy to have departments pursue cost recovery approaches in determining fees; thus, a number will increase more than the annual CPI in order to work towards cost recovery. Additionally, new fees are introduced each year, while others are deleted. New fees, as well as those that increase more than the annual CPI are bolded in the fee schedule for ease of review and are summarized below.

Central Parking District - A number of parking lots are under construction within the City, and the Housing and Redevelopment Department has included the associated fees approved by the Central Parking District on February 16, 2005.

City Clerk – Fees for passports increased more than the CPI; however, those fees are set by Title 22 of the Code of Federal Regulation, Section 22 and 51 and are also subject to change without notice.

City-Wide – The fees associated with reproduction and copying of documents have been modified to reflect the actual cost to the City of providing these services. The proposed fees conform to the California Public Records Act and are based on the allowable costs associated with citizens, public interest groups and non-profits. In the vast majority of cases, it would not be in the public interest to track the effort required for each duplicating request, since this would create additional costs and burdens associated with duplicating activities. Therefore, the fee includes labor charges for the physical reproduction of documents, as well as the cost of equipment, paper, and toner.

*Agenda Item II*

Development Services Planning – A number of fees have been renamed to more closely define their purpose. The following new fees are proposed to correlate with the recently adopted Development Code: Administrative Use Permits; Time Extension for Temporary Activity Permits; Review of Secondary Dwelling Unit Plan; Staff Design Review of Signs; Administrative Determinations/ Exceptions/ Waivers; Minor Change to, or Determination of Substantial Conformance with Approved Project Plans; and Establishment of Design Review Overlay District and Historic Preservation District. Moreover, a fee has been added for Address List and Label Preparation. Finally the same fifty percent reductions applied to permits issued within the Enterprise Zone have been extended to both the Magnolia Historic and Midtown Districts.

Development Services Building – The fifty percent reduction in building permit and plan check fees for commercial and industrial projects within the Enterprise Zone has been extended to commercial reuse of historical structures in the Magnolia Historic District only. A cost recovery Capital Preservation Fee is proposed that will help fund functions associated with maintaining future property values and standards for new construction projects. This includes both Code Enforcement and Fire Prevention activities. The minimum charge for inspections outside of normal business hours was listed incorrectly in previous fee schedules and has been amended from 2.0 hours to 2.75 to correlate with the Memorandum of Understanding.

Development Services Development Review has increased Encroachment Permits to be commensurate with the level of effort required to process the permit and make the necessary inspections.

Downtown Venues include the Civic Auditorium and Weber Point Event Center. Certain fees increased above the CPI to achieve full cost recovery. This includes the Tables/chairs/set-up for Banquets and Dinners, Kitchen rate, Kitchen Cleaning Deposit and Ticket Printing. Other fees were rounded to the nearest dollar amount to simplify cash handling during events. This includes rounded tables and padded chairs. New fees are for the rental of the spotlight, parachute and mirror ball. There are costs associated with the setting up, breaking down and operation of these equipment pieces that are not captured as part of the normal rental rates. At the Weber Point Events Center, paid and private events will now be charged the same percentage of gross receipts from merchandise sales that is charged to those producing free events.

The Annual Permit Fees for Fire were reduced mid-fiscal year 2004-05 by Council Resolution 05-0147. The Permit Fee rates will increase to a 100% cost recovery level by FY 2006-07, with proposed FY 2005-06 rates reflecting an intermediary cost recovery level.

In the Emergency Communications Fund the Secondary Public Service Answering Point Fee is recalculated every fiscal year based on the Fire Department applicable Emergency Communications Division budget divided by the applicable total number of dispatches in the prior calendar year.

Housing and Redevelopment has incorporated the existing Commercial Façade Improvement Forgivable Loan Application Fee into the City-wide Fee Schedule.

Parks and Recreation maintains a number of facilities and has modified fees in several areas. An Annual Pass for Super Seniors has been added to the Golf Fees. It is a reduction for senior golfers age 80 and over playing Swenson and Van Buskirk courses. This new fee was adopted by the Parks and Recreation Commission at its meeting of September 18, 2004. On the General Fees page a Product Sales category has been added to include the sale of mulch and firewood garnered through the tree trimming and removal program. Some Pixie Woods rates do not conform to the rounding policy in order to simplify cash handling; moreover, the Group Rate Package increased to recover costs and keep current with other city parks and recreation departments who are utilizing the same type of facilities and services. The Boat Launching Facilities fees have been reorganized to delineate separate rates for weekdays and weekends. Additionally, rates have increased above the CPI to cover the City's costs. The Refundable Rental Deposit for use of the Commanding Officer's House, as well as the Philomathian Clubhouse was separated into two distinct categories; Meetings and All Other Events. The Children's Museum fees between \$1 and \$100 have been rounded to the nearest quarter of a dollar to simplify cash handling for staff and increase the efficiency of the process. Four new fees were established to reflect the additional services being provided at this facility including art projects, invitation and thank you cards, table coverings and the availability of additional summer camp hours.

The Police Department has incorporated the Parking Bail Schedule into the City-wide Fee Schedule. They are not fees, but actual penalties that have now been posted in the fee schedule as per the Auditor's recommendation so they can be more efficiently referenced and annually reviewed. Police Department Code Enforcement division has included the fees associated with the Rental Inspection Program. These fees will not be charged until the ordinance is adopted by Council. A fee for a copy of a report exempt from the Public Records Act has been added under the Permit/Miscellaneous Fees section. Alarm fees were rounded to the nearest dollar, as no change fund is kept at the collection point for these fees.

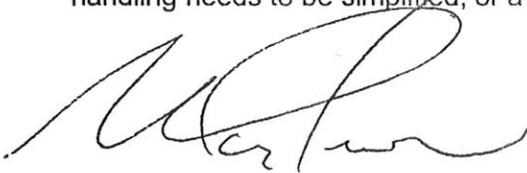
Public Facilities Fees have been incorporated into the Fee Schedule. Past practice has been to approve these fees by separate resolution. The proposed fees for Street Improvements, City Office Space, Fire Stations, Police Stations, Libraries, and Community Centers are based on a nexus study. The proposed fees for Office and Industrial land uses are lower than the fees cited in the nexus reports, as fees higher than those proposed in the fee schedule would serve as a barrier to economic development. Additionally, the proposed fee schedule reflects the nexus study recommendation that zones for all fee types, except Street Improvements, be eliminated. With the elimination of fee areas, development in certain fee areas will now incur fees for which these areas had previously been exempt.

The proposed public facilities fees increases are substantial, and particularly the Street Improvement Fees that roughly tripled. Nonetheless, the fee increases are unquestionably necessary to allow the City's infrastructure to keep pace with development. City Public Facility Fees that are not included in nexus reports were adjusted by the inflation rate, based on the prior calendar year, as determined by the construction cost index of the Engineering News Record (ENR) publication. The change in ENR construction cost index from 2003 to 2004 is 7.76%.

A Stormwater section with a Stormwater Quality Inspection fee has been added. This is a pass through fee to consultants contracted to inspect restaurants and other businesses to evaluate compliance for both disposal and dumping into the stormwater system. The inspections are a requirement of the City of Stockton's National Pollution Discharge Elimination System (NPDES) Stormwater Permit, which is governed by the State of California Regional Water Quality Control Board.

The Water schedule now includes the Deposit, Field Charge, Damaged Lock or Device fee, Meter Removal fee, Extension fee and the definitions delineated in Resolution 03-0362. These fees, deposits and charges have increased above the CPI. The Field Charge still does not fully recover the costs for the two trips to the location to lock off water and restore the service after payment; however, the amount is consistent with a similar fee charged by California Water. The Damaged Lock or Device Fee reflects the increased cost of locks and devices. The Meter Removal fee has not increased in over twenty years and it should be noted that it takes an average of two man hours, plus a vehicle and equipment, and two trips to the location to remove and reinstall the meter to stop unauthorized acquisition of water service or tampering with City equipment. The Extension Fee reflects the time required to re-establish the account and also at least one, and sometimes two, trips to the location when the customer's move date changed without their having alerted customer service. As per PUC legislation, the City is authorized to charge a deposit in an amount equal to two and one-half times the average monthly bill. A one inch meter with consumption of 20 units of water is \$94.75. Nevertheless, in an effort to keep the deposit amount affordable, the fee has increased only from \$60 to \$75. Only multi-unit and commercial accounts pay more than the minimum deposit.

A fee rounding policy has been added to the fee schedule to ensure uniformity in calculating the annual changes. It is applied in most cases except where departments determine that no change is necessary, outside agencies control the fee rate, cash handling needs to be simplified, or a cost recovery approach is warranted.



MARK LEWIS  
CITY MANAGER

**05-0240**

Resolution No. \_\_\_\_\_

## **STOCKTON CITY COUNCIL**

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### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON APPROVING THE 2005-2006 PROPOSED BUDGET; 2005-2010 CAPITAL IMPROVEMENT PROGRAM; AUTHORIZING FEE ADJUSTMENTS AS RECOMMENDED BY THE CITY MANAGER; AND AUTHORIZING VARIOUS FUND TRANSFERS AND ADMINISTRATIVE ACTIONS**

WHEREAS, on May 12, 2005, by City Council motion, a public hearing was set for May 24, 2005, regarding the 2005-2006 Proposed Budget, the 2005-2010 Capital Improvement Program, and Fee Adjustments; and

WHEREAS, the City Council scheduled and conducted Council Budget Study Sessions on May 10, 11 and 12, 2005, to review the City Manager's and Mayor's 2005-2006 Proposed Budget, and Fee Adjustments; and

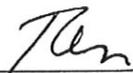
WHEREAS, the City Council conducted a duly noticed scheduled public hearing on the 2005-2006 Proposed Budget, and Fee Adjustments on May 24, 2005; and

WHEREAS, the City Council recommends adoption of the 2005-2006 Proposed Budget, now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the Fiscal Year 2005-2006 Annual Budget as proposed by the City Manager be adopted.
2. That the City Fee Schedule be amended effective July 1, 2005, except that certain development-related fees be effective August 6, 2005, and Parks and Recreation fees be effective on varying dates as noted, to reflect the fee adjustments proposed by the City Manager, and that a resolution for that purpose be approved by the City Council.
3. That the City Council make 'of benefit' findings pursuant to California Redevelopment Law in connection with adoption of the Redevelopment Agency's Fiscal Year 2005-2006 Budget, and that a resolution for that purpose be approved by the City Council.
4. That the threshold for which contracts must be approved by the City Council is hereby increased by \$321 to \$27,061 effective July 1, 2005, for Fiscal Year 2005-2006, in accordance with the annual inflation adjustment authorized by Ordinance No. 007-94 C.S., which amended Section 3-103 of the Stockton Municipal Code.

City Atty:  
Review \_\_\_\_\_  
Date June 3, 2005



SCANNED

5. That one-time catch-up Indirect Cost Allocation charges, as detailed in the City of Stockton Full Cost Allocation Plan and OMB-87 Plan, shall be charged to all applicable capital project funds and transferred to the Infrastructure Reinvestment Fund (307), as funding permits, and that these transfers be authorized in the FY 2005-2006 Budget, effective June 30, 2005 as a FY 2004-2005 transaction.
6. That the balances of the AOB In-Out (686) \$500,000; and Subdivision Deposits (689) \$1,500,000; that are not subject to reimbursement, be authorized as a transfer to the Capital Improvement Fund (301) in the FY 2005-06 Budget, effective June 30, 2005, as a FY 2004-2005 transaction.
7. That in order to implement Council's direction to open Fire Station 13 by March 1, 2004 (Resolution 04-0572), a short term loan from the General Fund (010) of approximately \$850,000 to the Measure W fund will be needed, and that this loan will be repaid from 2005-2006 Measure W Fund (081) revenues.
8. That should the Governor's May Revise budget proposal to reinstate Proposition 42 funding be approved in the State's final budget, that those funds be appropriated in the Traffic Congestion Fund (039) for street resurfacing.
9. The Rental Property Inspection Ordinance was approved on December 14, 2004; effective January 13, 2005, and will be implemented through Ordinance 039-04 C.S. and Resolution 04-0825.
10. That the following administrative actions required to implement the Fiscal Year 2005-2006 Annual Budget be authorized:
  - a. Authorize the expenditure of \$45,000 to San Joaquin County for the City's share of the Juvenile Justice Coordinator and associated County costs.
  - b. Consolidate reserve funds of all Internal Service Funds within the 500 fund number series, and authorize the City Manager to make transfers between these funds as needs and liabilities require during the year.
  - c. Authorize the City Manager to transfer fund balances to applicable appropriation accounts, or to transfer between funds, when necessary to continue purposes approved by the City Council in the current year, Adopted Budget, or by subsequent action. Such purposes include the funding of incurred liability obligations, regulatory requirements, memoranda of understanding with employee labor groups, equipment purchases, capital projects and for emergency purposes and catastrophic events in order to protect City assets.
  - d. Authorize the City Manager to make salary adjustments in classifications to ensure comparability with similar classifications, as determined by a classification review, and to incorporate changes into the Salary Schedule, as appropriate. Authorize cost of living adjustments for all City Management, including the City Manager and City Attorney, equal to other City employees.
  - e. Authorize the City Manager to transfer funds from eligible capital project funds to Public Art Fund 306 to implement the FY 2005-2006 Public Art Plan, as approved by Council, including transfers relating to mid-year appropriations to capital projects eligible for public art contributions.

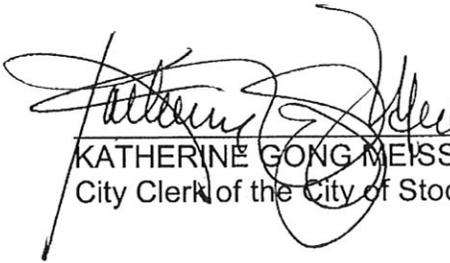
f. Direct and authorize the City Manager to take such actions as are necessary to carry out the intent of this resolution.

PASSED, APPROVED and ADOPTED JUN 7 2005.



EDWARD J. CHAVEZ  
Mayor of the City of Stockton

ATTEST:



KATHERINE GONG MEISSNER  
City Clerk of the City of Stockton

