



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 20, 2017

TO: Carolyn Lehr, City Manager

FROM: Susan Hsieh, Finance Director

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Amending The City Of Emeryville Master Fee Schedule For Fiscal Year 2017-18 Effective On July 3, 2017

RECOMMENDATION

Staff recommends that the City Council hold the required Public Hearing and approve the resolution updating the Master Fee Schedule effective July 3, 2017.

BACKGROUND

The City of Emeryville charges fees for a variety of specific services offered by City departments. These fees are intended to recover the costs of services provided to the extent possible. User fee services are those performed by a governmental agency on behalf of a private citizen or group. The underlying assumption for the user fee is that costs of services benefiting individuals and not the entire community should be borne by the individuals receiving the service; therefore, setting user fees is equivalent to establishing fees for services. Unlike private organizations, making a profit in providing services to the public is not a legally allowable objective for local governments. The City may only set fees at a level to recover the full cost of providing the service. However, in certain circumstances it is reasonable to set policies in establishing fees for certain services at a level that does not recover the full cost, resulting in a General Fund subsidy.

The last comprehensive fee analysis was conducted in fiscal year 2015-16 by NBS and adopted by the City Council on July 19, 2016. The master fee schedule attached to this staff report has been updated with the San Francisco Bay Area Consumer Price Index (CPI), or, in certain cases as mandated by the Municipal Code, the Engineering News Record Construction Cost Index for San Francisco.

DISCUSSION

The proposed Master Fee Schedule attached to this staff report identifies the proposed fee changes and additions by department. The tables contain a description of the fee, the current level of the fee and the proposed change. Primarily the proposed changes reflect adjustments for general inflation of 3.4% as measured by the average change in

the SF Bay Area Consumer Price Index from February 2016 to February 2017. Other new or significantly revised updates are detailed by department below. All proposed changes are to take effect on July 3, 2017.

Highlights of Proposed Changes

1. Building Division

Most Building Division fees are based on construction valuation. These fees remain unchanged to ensure that our fees are comparable to those of other cities and to encourage development activities. Flat fees have been increased by the CPI except two items as follows.

Temporary Occupancy Permits

Staff proposes establishing an administrative process for allowing temporary events in building locations otherwise unauthorized for assembly occupancies. Considering the recent efforts of the Alameda County Fire Department, Emeryville Police Department, and other City departments to respond to solicited public/private events without City approvals, a “Temporary Occupancy Permit” application and procedural checklist will be created for public use in an attempt to streamline the process of approvals, disapprovals, dates, times, conditions and property locations of these events. This procedure will also help in determining which departments and or outside agencies require input and or approvals. The proposed charge of \$173 is consistent with minimum building permit fees.

Sewer Connection Fees

The sewer connection fee is a one-time fee that is paid to the City when a property owner/developer pulls a building permit that includes new connections to the Sanitary Sewer collection system. The fee is used to make capital improvements to the sewer collection system. Section 7-8.306 of Chapter 8 of Title 7 of the Emeryville Municipal Code provides that the rate “shall be adjusted annually on July 1 by resolution of the City Council to reflect the change in the Engineering News Record (ENR) Construction Cost Index during the preceding twelve (12) months. The March ENR Construction Cost Index value shall be used as the basis of adjustment.” Therefore, fees for residential dwellings and all other uses have been increased accordingly for the 2017-2018 fiscal year.

2. Planning Division

Many planning activities are “charged per formula” in which 100% cost recovery is expected; the City’s costs are recovered through our cost recovery system (billing of staff time and consultant costs). Most flat fees have been increased by CPI, except those for Sidewalk Cafes, Short-Term Rentals (those fees were just established in March 2017), Planning Commission study sessions, and appeals.

3. City Manager / City Clerk Departments

Staff proposes adjusting City Administrative fee and City Clerk hourly rates from \$108 to \$111, which is consistent with the annual CPI change.

4. Economic Development & Housing

Staff proposes adjusting existing loan program related fees to reflect the annual CPI change (below market unit resale fee, inspection fee, etc.). Please note that the cost recovery for this division is less than 100% (by design) to ensure the costs are affordable to borrowers.

5. Finance

Staff proposes adjusting fees for the preferential annual parking permit program based on a comparative analysis.

6. Fire Department

Fire fees have been adjusted to reflect full cost recovery. Staff proposes the below changes:

A minimum of two (2) hours have been allocated to the plan review and inspection of sprinkler systems and fire alarm systems.

The City charges 35% of the building permit fee plan review of construction, rehabilitation or remodeling plans for occupancies under the jurisdiction of the State Fire Marshall. However, a fee was not charged for the inspection of these State Fire Marshall regulated occupancies. As a result, it is proposed to charge 40% of the building permit fee to cover the inspection of these State Fire Marshall regulated occupancies.

Inspection fees have been adjusted to “match” the fees being charged by the Building Division. On many occasions building plan review provides the initial overview of the projects for fire to identify problematic issues, and joint inspections are performed reviewing life safety requirements of the occupancy or buildings.

7. Police Department

In general, fees for the Police Department have been adjusted to reflect the annual CPI change. Staff also proposes changes for the items below:

Vehicle release certificate fee

Vehicle release certificates issued by police department staff constitute administrative staff time, records research, and printing costs. The current fee of \$83 is substantially low compared to most agency standards in Alameda County. The average vehicle release fee for the 12 surveyed Alameda County law enforcement agencies is \$178. Per California Vehicle Code 22850.5, the Emeryville Police Department has the authority to recover costs associated with towing a vehicle.

Stolen Vehicle Release

To avoid revictimizing persons who had their vehicle stolen, it is recommended that a vehicle release fee not be required for those requesting such a certification of release from the Emeryville Police Department. While some vehicle insurance companies will reimburse clients for fees incurred for a stolen vehicle, industry best practice standards do not support charging for stolen vehicle release certifications.

Short Term Encroachment Permit

An "encroachment" is defined in Section 660 of the California Streets and Highways Code as "any tower, pole, pole line, pipe, pipeline, fence, billboard, stand or building, or any structure, object of any kind or character not particularly mentioned in the section, or special event, which is in, under, or over any portion of the State highway rights of way. "Special event" means any street festival, sidewalk sale, community-sponsored activity, or community-approved activity." While some special events may occur on city property, the event may not be within the sidewalk or street. Therefore, it is recommended that a distinction be made to if the special event includes a street or sidewalk closure versus no roadway closure. The fee for this permit is \$276. It is recommended that if the special event included a street closure that the fee be increased to \$340, to compensate for the administrative costs associated with the street closure.

Cannabis Business Permit Fee

Staff proposes deleting the existing "Medical marijuana delivery permit and replacing with a "Cannabis key individual application fee" for \$447 and "Cannabis business permit fee" for \$651. The cannabis key individual application fee includes initial, renewal, and modification with one hour of sworn and one hour of non-sworn. This work involves checking applicable database and verifying information presented on the form. The cannabis business permit fee includes initial, renewal, and modification with half hour of sworn to pull data on the area, and then two hours of sworn to review data and related police reports.

8. *Public Works Department*

Staff performed a comprehensive review of Public Works fees and proposed an increase per CPI, except for the below categories, which will be adjusted based on hourly rate of consultant plus a 10% charge on a fee to cover administrative costs.

Encroachment Permit Inspection Fee, Site Improvements Inspection, and Storm Water Permit C3 Inspection.

9. *Community Services Department*

In general, community service programs are subsidized by the General Fund. It has been a desire to keep the fees low to ensure they are affordable to residents and non-residents. Community Services Department fees are presented below.

Child Development Center Division

Staff proposes increasing the Child Development Center fees by 10%. Based on our research, the center's fees appear to be low compared to those of other centers and would help reduce the center subsidy.

Rental Fees

Staff proposes changing the Marina Park reservation fee from hourly to daily. After almost one year operating at the Emeryville Center of Community Life (ECCL) facilities (i.e. gym, fields, and pool), fees have been updated based on comparison of facility rentals and time of programs. Staff proposes adding a field lighting fee, adding a kitchen rental only fee, and adjusted fees to Bridgecourt and the Senior Center, based on comparison of ECCL fees.

Youth Services Division

Staff recommends adjusting all Youth Services fees by an average of 10% for those programs that can absorb an increase and can be consistent with market rates. Staff added an early registration discount of \$10—for two weeks or earlier registration prior to class start date. This allows for better planning of staffing and expenditures. Staff also proposes a Class Transfer and Refund policy.

Adult Services Division

Staff proposes increasing Adult Services fees an average of 10% for those programs that can absorb an increase and can be consistent with market rates. Staff proposes to add a trip cancelation policy, increase Senior membership to \$25, and offer a fee waiver to volunteers who commit 25 hours of volunteer service per year.

REVIEW BY CITIZENS COMMITTEES

The proposed master fee schedule was reviewed by the Budget Advisory Committee on June 7, 2017.

PREPARED BY: Susan Hsieh, Finance Director

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Carolyn Lehr, City Manager

ATTACHMENTS

1. Resolution
2. Exhibit A - Proposed Master Fee Schedule