



**DATE:** March 26, 2019

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT:** FY 2020 Master Fee Schedule/Fine and Bail Schedule

### **RECOMMENDATION**

That Council approves the attached resolution amending the City's Master Fee Schedule to include changes and updates as appropriate; and accepts the Fine and Bail Schedule without modification.

### **SUMMARY**

Annually, City staff completes a review of the City's Master Fee Schedule to identify and determine necessary adjustments to fees charged for services. Approved fee changes will become effective July 1, 2019. While staff is presenting Council with necessary updates and changes to the Master Fee Schedule, the Fine and Bail Schedule has no changes and staff is requesting that Council accepts the current fees for FY 2020.

### **BACKGROUND**

The City's Master Fee Schedule identifies the fees for various City services. The fees in the Master Fee Schedule are based on recovery for the cost of delivering services (e.g., various building and fire inspections) and must comply with provisions of current legislation.

As part of a general cost recovery strategy, local governments have adopted user fees to fund programs and services that provide direct benefit to a specified user or have limited or no direct benefit to the community. To the extent that the City uses general tax monies to provide services that it could recover full cost for, but does not, a subsidy is provided, and this reduces funds that may be available to provide other community-wide benefits. Unlike most revenue sources, the City has more control over the level of user fees they charge to recover costs. As the City works to balance levels of service and the variability of demand, Council has become increasingly aware of subsidies provided by the General Fund for fees that do not recapture full costs.

A comprehensive user fee study conducted by Willdan Financial Services was adopted on October 25, 2016 by City Council. The study reviewed all costs associated with internal effort and third-party expenses to develop full cost recovery fees.

## Legislative Requirements

### Proposition 26 Review and Compliance

In November 2010, California voters approved Proposition 26, which amended Articles XIII A and XIII C of the State constitution regarding the adoption of fees and taxes. Proposition 26 seeks to assure that taxes are not disguised as fees: taxes must be approved by voters whereas legislative bodies, such as a City Council, can approve fees.

### Proposition 218 Review and Compliance

In November 1996, California voters passed Proposition 218, the "Right to Vote on Taxes Act." This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees, and charges without taxpayer consent. Proposition 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

The proposed Master Fee Schedule has been reviewed for compliance with Propositions 26 and 218 and, in the City Attorney's opinion, is compliant.

## DISCUSSION

A complete and detailed listing of fees is reflected in the proposed FY 2020 Master Fee Schedule and can be found on the Master Fee website link found in Footnote 1 below.<sup>1</sup> The FY 2020 Fine and Bail Schedule can be found on the City website link found in Footnote 2 below.<sup>2</sup>

## Summary of Changes in Fees by Program Area

### *City Clerk*

1. Change in Express Mail Fees for Passport Services Express Mail from State to customer is increased from \$15.89 to \$16.48; rate is set by and payable to the US Department of State.

FEE TYPE	CHANGE FROM	CHANGE TO
Express Mail from US Department of State to customer	\$15.89	\$16.48

### *Fire*

#### I. Fire Prevention

##### Facility Inspections

**FY 2019**

**FY 2020**

<sup>1</sup> Master Fee Schedule <https://www.hayward-ca.gov/sites/default/files/Proposed%20FY%202020%20Master%20Fee.pdf>

<sup>2</sup> Fine and Bail Schedule <https://www.hayward-ca.gov/sites/default/files/Final%20FY%202020%20Fine%20and%20Bail.pdf>



## **ECONOMIC IMPACT**

Approval of the attached resolution will have a minor economic impact on the community in that only certain fees will be increased while some fees are being decreased.

## **STRATEGIC INITIATIVES**

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

## **FISCAL IMPACT**

Adopting these fee changes will minimally impact overall City revenues and will offset the staff time spent performing the various activities supported by the fees.

## **PUBLIC CONTACT**

A public notice was published in The Daily Review on March 8, 2019 and March 15, 2019. The public notice contained the meeting date announcing the time, location, and subject matter of this public hearing.

## **NEXT STEPS**

Upon approval of the attached resolution, the Schedules will be updated, and the fees will be effective as of July 1, 2019, to allow for the required sixty-day notice period.

*Prepared and Recommended by:* Dustin Claussen, Director of Finance

Approved by:



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Kelly McAdoo, City Manager