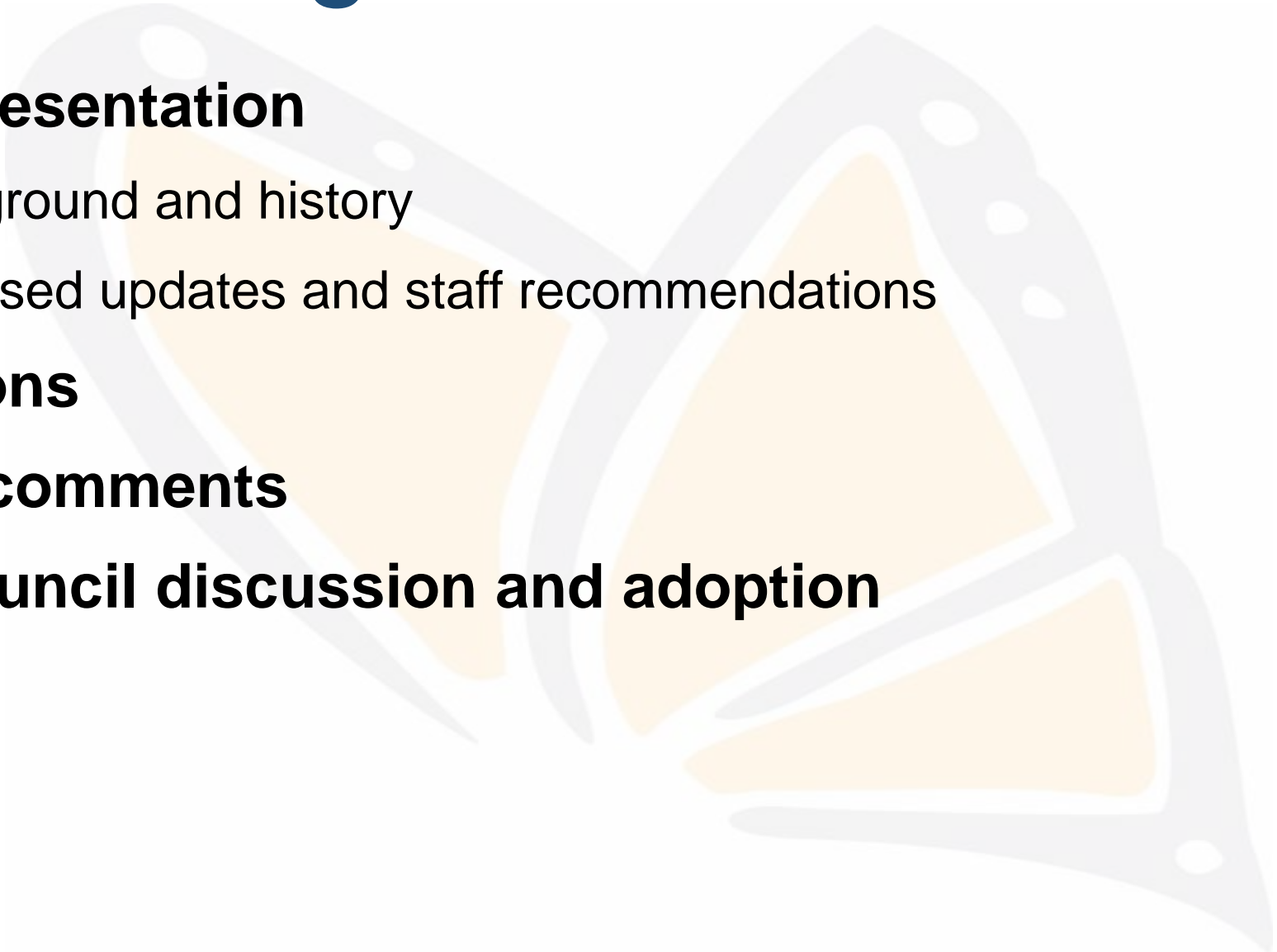


Report on Annual Adjustments for User Fees

City of Goleta
Council Meeting
May 15, 2018



Public Hearing Format

- **Staff Presentation**
 - Background and history
 - Proposed updates and staff recommendations
 - **Questions**
 - **Public comments**
 - **City Council discussion and adoption**
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User Fees Background

- **User Fees are charges for services**
 - Planning services
 - Permit fees
 - Library fees (new)
 - User Fee and Charges Schedule provided in Attachment 2 - Exhibit A
- **Fee parameters**
 - Based on cost analysis or study
 - State law precludes charging more than cost of providing service
 - Fees are paid by those receiving the service rather than burdening the residents

User Fees Background

- **Adopted by Resolution 08-62**
 - Based on a fee study performed by Willdan Finance Service and implemented December 1, 2008
 - Revised for increases, on July 1, 2015 by 4.4% and eliminated fees associated with sign permits for businesses located in the Old Town Heritage District
 - Revised for additions, on February 16, 2016, included Marijuana Service License and Delivery Driver Licenses Fee of \$125 each (Resolution No. 2016-03)
- **Annual Adjustments**
 - Based on Consumer Price Index (CPI)
 - Minimum adjustments threshold of 3%
 - Adjustments do not apply to fees set by ordinance, and will require amendment to the ordinance

User Fees - Updates

CPI Adjustment

- CPI adjustment to fees is a recommended best practice to ensure cost recovery is kept up with inflation
- Each year without modification of rates, reflects a loss of revenues that cannot be recovered in the future and are borne by the City's General Fund

YEAR	CPI
2012	2.0%
2013	1.1%
2014	1.3%
July 1, 2015 Fee Increase	4.4%
2015	0.9%
2016	1.9%
2017	2.8%
Proposed Fee Increase	5.6%

User Fees - Updates

Marijuana Delivery Service and Driver's License Fee

- Fees currently set at \$125 for each
- Includes pass-through cost of \$56 for Live Scan services, from the City to the County of Santa Barbara Sheriff's Office, when the City is invoiced
- Live Scan fee will no longer be collected by the City, and applicant will pay directly to Sheriff's Office for live scan services
- Adjustment recommended to reflect actual cost of providing the licensing service, and not exceed value of service provided
- Recommending \$56 reduction to the \$125 fees
- New fee recommendation \$69

User Fees - Updates

NEW – Goleta Library User Fees and Fines

- Fees for the Goleta Library will need to be included, effective July 1, 2018
- Goleta Library fees are necessary for City operations of the Library and required for Black Gold Cooperative Library System
- Fees are status quo of what is currently established under City of Santa Barbara management and updated to reflect fees that only apply to Goleta Library

Upcoming Comprehensive User Fee Study

- All fees to be evaluated under new study, including new Library
- Results of fee study is estimated to be presented to Council in Spring 2019 and implemented for FY 2019/20

Recommendations

Finance Committee Review

- Support recommended Library Fee additions and adjustments
- Recommends to discuss annually and consider CPI adjustments to User Fees and Charges, regardless of minimum threshold

Recommendation

- Adopt Resolution No. 18-__entitled “A Resolution of the City Council of the City of Goleta, California, Approving and Adopting the 2018 User Fees and Charges and rescinding Resolution No. 16-03”
- Annually consider CPI adjustments to User Fees and Charges