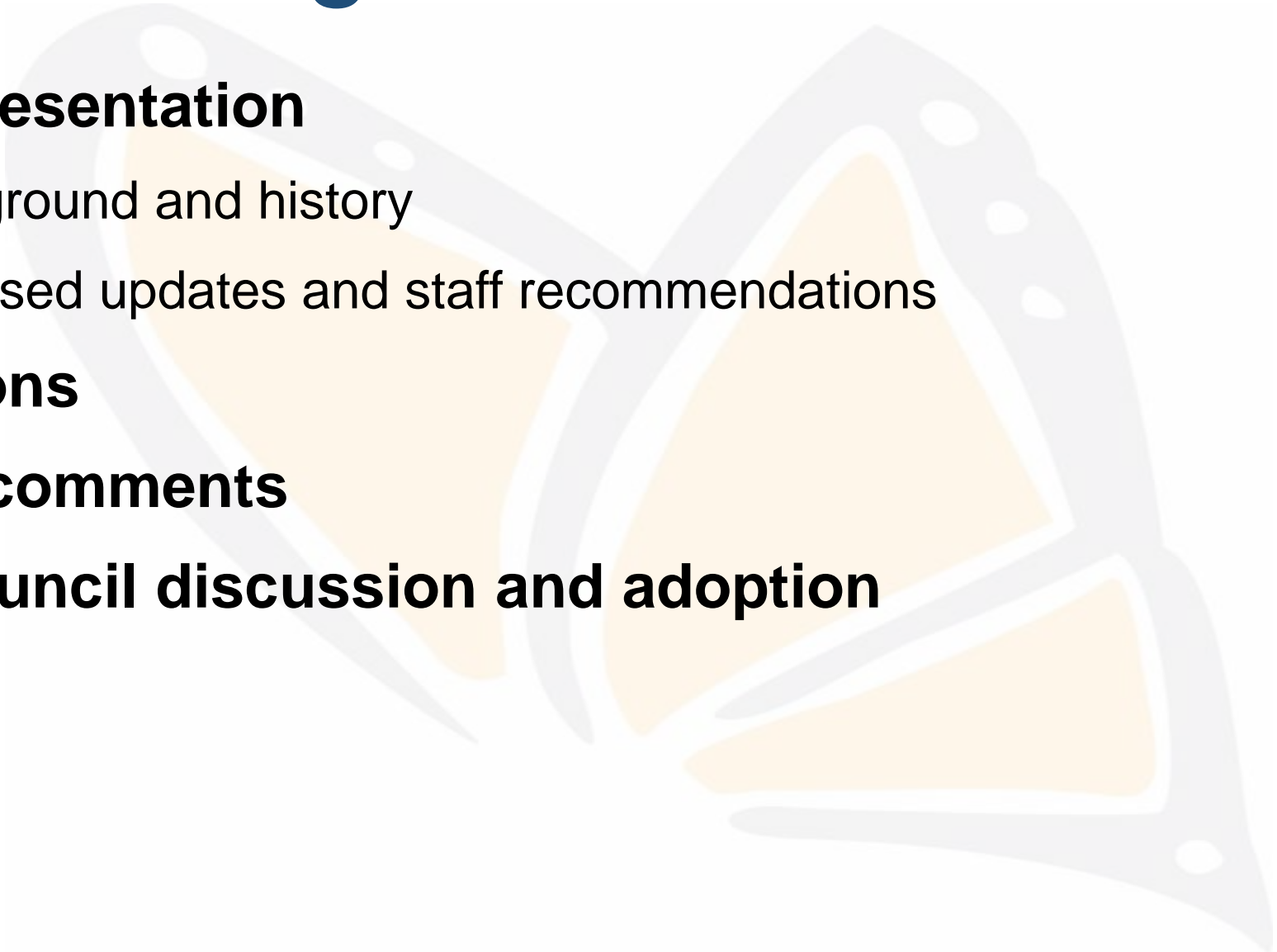


Report on Annual Adjustments for User Fees

City of Goleta
Council Meeting
June 4, 2019



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**
 - Examples include:
 - Planning services
 - Permit fees
 - Library fees
 - 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
 - Last revised for CPI of 5.6% total (Years 2015, 2016, and 2017)
- **Annual Adjustments**
 - Based on Consumer Price Index (CPI)
 - Council took action to annually discuss and consider CPI adjustments to User Fees and Charges, regardless of previously minimum cumulative threshold.
 - Adjustments do not apply to fees set by ordinance, and will require amendment to the ordinance
 - Public hearing notice was published on May 23, 2019 and May 30, 2019

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	2.00%
2013	1.10%
2014	1.30%
July 1, 2015 Fee Increase	4.40%
2015	0.90%
2016	1.90%
2017	2.80%
July 1, 2018 Increase	5.60%
Proposed Fee Increase	3.80%

User Fees - Updates

Comprehensive User Fee Study Underway

- All fees to be evaluated under new study
- Results of fee study is estimated to be presented to Council in Fall 2019 and implemented for FY 2020/21.

Recommendations

Finance Committee Review

- Met to review on May 6, 2019, and support recommended user fee adjustments

Recommendation

- Adopt Resolution No. 19-__entitled “A Resolution of the City Council of the City of Goleta, California, Approving and Adopting the 2019 User Fees and Charges