



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** MAY 21, 2024

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** ELLIS CHANG, DIRECTOR ADMINISTRATIVE SERVICES

**PREPARED BY:** STEVEN AVALOS, BUDGET AND PURCHASING  
MANAGER  
CINNDY BARRIOS, SENIOR BUDGET ANALYST

**SUBJECT:** PROPOSED FISCAL YEAR 2024-25 FEE CHANGES

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### **SUMMARY**

City departments evaluate and propose fee changes as part of the annual budget process to align with best practices, account for inflation, support cost recovery efforts and include user fees approved by City Council. Staff will submit proposed fee changes for approval with the Fiscal Year (FY) 2024-25 Budget Adoption on June 4, 2024.

### **PROPOSED MOTION**

Receive and file.

### **ALTERNATIVE OPTIONS**

- Approve the Proposed Motion
- Other options brought by the City Council.

### **STAFF RECOMMENDATION**

Staff recommends the Proposed Motion.

### **CITY MANAGER REMARKS**

The City Manager recommends approval.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

### **FISCAL IMPACT**

The proposed Fire Department and Public Works Water Utility user fee changes reflect Year 2 of City Council-approved increases to offset costs to provide services and support City Council efforts towards full cost recovery. The FY 2024-25 Proposed Budget presented on April 23, 2024 included these costs.

The proposed Police Department tow rate changes align with market rates in surrounding cities. The towing company collects and retains tow fees. The City receives tow franchise revenues which remain unchanged. However, the proposed fees could generate higher franchise revenues, if approved.

The Library fee revisions mainly pertain to lost items with a nominal fiscal impact.

The FY 2024-25 Proposed Budget presented on April 23, 2024 included Parks and Recreation fee increases to improve cost recovery efforts for community services and adjustments to City facilities rental rates.

## BACKGROUND AND DISCUSSION

The City of Fullerton annually updates and adopts the Fee and Charges Schedule for City services in conjunction with the Annual Operating Budget. Local governments charge user fees for various services provided to residents and the community. Most of the proposed fee changes support City cost recovery efforts for the services provided. Recovering the costs of providing fee-related services directly influences the City's fiscal health and increases the City's ability to meet the service level expectations. In addition, the City can adjust fees and rates to remain competitive with market rates, cost of doing business or inflation and administrative fee changes. City departments have submitted the following fee changes:

### *Approved by City Council*

*Fire Department* – City Council approved the Fire Department User Fee Schedule and directed staff to phase in fees over a three-year period on May 2, 2023. FY 2024-25 marks Year 2 of the Fire Department fee implementation. Attachment 1 includes details of each fee.

*Public Works Water Utility* – City Council approved Water Utility fees and directed staff to phase in fees over a three-year period on May 16, 2023. FY 2024-25 marks Year 2 of Water Utility fees implementation.

### *Proposed Fees Changes for FY 2024-25*

*Police Department* – The proposed changes include adding a Subpoena Processing fee and Record Checks for non-law enforcement officer fees. In addition, staff analyzed tow rates and recommends increasing Tow Class A – D rates to match rates in surrounding cities. Increasing these rates would not impact City franchise tow revenues received from tow franchises.

*Fullerton Airport* – The Fullerton Airport recommends minor fee changes, including fees to replacing a gate card, hangar keys or hangar locks. The airport proposes a hangar lease security deposit to match common industry practice.

*Parks and Recreation and Library* – The Library proposes minor fee changes for lost items, passport photos and consolidating room set-up charges into a flat fee. The Parks and Recreation Department seeks to increase summer day camp fees, film and show fees and vendors fees for City Events, all of which support ongoing efforts to align fees with the costs of doing business.

Staff attached redlined fee changes for the proposed changes. Staff will include fee changes as directed by City Council in the updated FY 2024-25 Proposed Schedule of Fees and Charges for adoption on June 4, 2024.

Attachments:

Attachment 1 – Fire Department Redline Fee Changes

Attachment 2 – Fullerton Airport Redline Proposed Fee Changes

Attachment 3 – Parks and Recreation Department Redline Proposed Fee Changes

Attachment 4 – Library Department Redline Proposed Fee Changes

Attachment 5 – Public Works Water Utility Redline Fee Changes

Attachment 6 – Police Department Redline Proposed Fee Changes

cc: City Manager Eric J. Levitt