



DATE: May 1, 2023

TO: Mayor and Members of the City Council President and Members of the Estero Municipal Improvement District (EMID) Board of Directors

VIA: Stefan Chatwin, City Manager

FROM: Edmund Suen, Finance Director  
Mimi Lam, Financial Services Manager

DEPARTMENT: Finance

SUBJECT: PUBLIC HEARING ON MASTER FEES AND SERVICE CHARGES FOR FY 2023-24

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### RECOMMENDATION

It is recommended that the City Council/EMID Board of Directors hold a public hearing on the proposed changes to the Master Fees and Service Charges Schedule. After considering the staff report and public testimony, it is further recommended that the City Council/EMID Board adopt the attached resolutions approving the Master Fees and Service Charges Schedule for Fiscal Year 2023-24, effective July 1, 2023.

### EXECUTIVE SUMMARY

At the April 10, 2023 Study Session, the City Council/EMID Board reviewed and provide direction for City staff to update the Master Fees and Service Charges Schedule ("Schedule"). The updated schedule (Attachment 3) has incorporated such direction and includes fees and charges adjustments from multiple departments, including the Administrative Services, Community Development, Parks and Recreation, Police, and Public Works departments. At this time, it is appropriate to hold a public hearing on these proposed changes and, subject to public testimony and other direction provided by the City Council/EMID Board, approve the Master Fees and Service Charges for Schedule for FY 2023-24 with an effective date of July 1, 2023.

## BACKGROUND

The last time the City/District conducted a User Fee Study (along with a Cost Allocation Plan) was in 2017 (for use in the FY 2017-18 Master Fees and Service Charges Schedule). Since it is generally considered a best practice to do updates every 4 to 6 years, City staff recommended and the City Council/EMID Board approved funds to conduct such an update in FY 2022-23 in the preparation of the FY 2023-24 Master Fees and Service Charges (MFS) Schedule. A User Fee Study provides a defensible methodology for calculating fees for service and determining the full cost recovery potential of individually-based services. Our consultant, Willdan Financial Services has conducted the update and staff from the various City departments presented their suggested fee adjustments for cost recovery purposes and sought policy guidance from the City Council at the April 10 Study Session. Based on that direction, City Staff prepared a recommended MFS Schedule (Attachment 3) for the City Council/EMID Board's consideration and approval at the May 1, 2023 Public Hearing.

## ANALYSIS

It is recommended that the City Council/EMID Board hold a public hearing prior to approving adjustments to the fees and charges in the MFS Schedule for FY 2023-24 with an effective date of July 1, 2023 (after allowing for a minimum 60 days for development fee adjustments to take effect). In addition, the Building Division recommends using the annual California Department of General Services Building Cost Index to adjust its building fees annually. Impact fees (Affordable Housing Commercial Linkage Fees, Below Market Rate Housing In-Lieu Fees, Parks Facilities Impact Fees, Public Safety Impact Fees, Transportation Impact Fees, Water Connection Fees, and Wastewater Connection Fees) will be adjusted annually using Engineering News Record Construction Cost Index (ENR CCI) as indicated on previously completed and approved Impact Fee Nexus studies. Other fees and charges will be adjusted annually using the San Francisco Area (San Francisco-Oakland-Hayward) December 12-month CPI-U cost inflator. Staff has excluded the initially proposed sports field user fees in the MFS Schedule for FY 2023-24 pending the completion of discussions between the Parks and Recreation Department and the various sports field user groups on the amount and effective date of such fees. Lastly, a separate public hearing for increases in water and wastewater rates is planned for June 5, 2023, based on proposition 218's 45 day noticing requirements.

## California Environmental Quality Act

Not Applicable

## FISCAL IMPACT

The adoption of an updated Master Fees and Service Charges Schedule provides for the cost recovery of various individually based services.

## CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Staff Empowerment and Operational Excellence

### ATTACHMENTS:

Attachment 1 - City Resolution

Attachment 2 - EMID Resolution

Attachment 3 - City of Foster City/Estero Municipal Improvement District Proposed  
Master Fees and Services Charges Schedule for FY 2023-24