

4/9/24

Item #6



City of
Santa Clara

User and Regulatory Fee Update

City Council Meeting | April 9, 2024

clearsource
FINANCIAL CONSULTING

STUDY SESSION AND PUBLIC HEARING

- This Evening's Item
 - City Council Study Session
 - Review Proposed Fee Schedule Update for FY 24/25
 - Follow-up on Reserved Field Use Fees Referral for Non-Profits and Sports Leagues
- April 23, 2024
 - Public Hearing - FY 24/25 Fee Schedule Resolution

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CLEARSOURCE PRESENTATION TO THE CITY OF SANTA CLARA

POST MEETING MATERIAL

TYPES OF FEES EXAMINED

This update DOES
NOT examine taxes,
assessments, utility
rates, etc.

- **Building Fees** - construction permit processing, plan check, and inspection
- **Planning Fees** - such as entitlement review and review for compliance with zoning code
- **Engineering Fees** - such as engineering, encroachment, and excavation review and inspection
- **Fire Prevention Fees** - such as fire alarm, fire sprinkler, and construction review for compliance with Fire Code
- **Non-Development Related Fees** – such as recreation fees, licensing, and permitting

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MUNICIPAL FEES

Why do Cities
Review Fees and
Charge Fees for
Services?

- Legal requirements
- Encourage direct recovery of costs incurred to serve private interests/benefit or respond to individual actions
- Provides General Fund resources
- Enable continuity of service levels by improving cost recovery levels

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CLEARSOURCE PRESENTATION TO THE CITY OF SANTA CLARA

COST RECOVERY PRINCIPLES FOR THE CITY

- City Council Budget Principle Related to Cost Recovery for Fees

“With limited exceptions, establish fees based on full cost recovery where individuals/businesses rather than the community at-large are benefitting from City services.

This preserves limited unrestricted resources for providing services that benefit the community as a whole.”

Overview of Proposed Updates

FEE CHANGE OVERVIEW

- Over 1,000 Fees Examined
 - 79% of Fees are proposed to either decrease, remain unchanged, or reflect only minor adjustments (i.e., up to 10% or \$10 change)
 - 15% of fees are proposed to increase by more than 10%. Primary drivers of increase are:
 - Pre-established multi-year phase-in of under-recovery (this represents the vast majority (11%) of changes greater than 10%)
 - Increases in the costs of equipment and materials recovered via fees
 - Changes in personnel costs and services/supplies costs
 - Changes in service requirements

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FEE CHANGE OVERVIEW

- 22 New Fees are proposed
 - Fees linked to enforcement of the California Fire Code
 - Cost recovery for preparation of technical reports or peer-review for development related applications (adding to fee schedule for fee schedule clarity)
 - Cost recovery processing/transaction fees for below market property program
 - Cost recovery fees for Review of Right of Entry Agreement and Permit to Enter Agreements onto City Property
 - Cost recovery fees for processing requests for temporary use of hydrant meters and conducting development-related water efficiency reviews

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CLEARSOURCE PRESENTATION TO THE CITY OF SANTA CLARA

RESERVED FIELD USE FEES - BACKGROUND

- FY 22/23 fee schedule update included adoption of parks and recreation cost recovery policy and adoption of reserved field use fees for non-profits and sports leagues.
- Prior to FY 22/23 there was no charge (\$0) for reserved field use for non-profits and sports leagues.
- Prior to adopting FY 22/23 fees, reserved field use fees were compared to neighboring agencies for reasonableness.

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RESERVED FIELD USE FEES - BACKGROUND

- Prior to FY 22/23 Fee Schedule Adoption
 - Staff held open community meetings, that included three commissions: Parks & Recreation, Senior Advisory, and Youth Commissions
 - Staff conducted a community survey. There were 234 survey responders (Commissioners and General Public)
 - Goals of meetings and survey included:
 - Establish a common understanding for evaluating Parks and Recreation financial needs and user fees
 - Receive Commission and public input on cost recovery policy affecting program cost recovery decisions

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RESERVED FIELD USE FEES - BACKGROUND

- Prior to FY 22/23 Fee Schedule Adoption
 - Staff conducted regional comparison to determine whether proposed fees would align to the region. Findings included:
 - **Santa Clara Prior to FY 22/23 = \$0 per hour (No Charge)**
 - **Santa Clara Proposed Effective FY 22/23 = \$14 per hour**
 - Campbell = \$20 - \$30 per hour with discount based on percentage of resident participation
 - Mountain View = \$8 per hour
 - Novato = \$9 - \$15 per hour
 - Palo Alto = \$9 - \$30 per hour
 - San Rafael = \$20 - \$25 per hour
 - Sunnyvale = \$25 per hour or \$175 per day

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RESERVED FIELD USE FEES - BACKGROUND

- Prior to FY 22/23 Fee Schedule Adoption
 - April 5, 2022 - City Council Study Session to Review
 - Proposed Fee Schedule Update
 - Proposed Parks and Recreation Cost Recovery Policy
 - April 19, 2022 - City Council Public Hearing to Consider
 - FY 22/23 Fee Schedule Resolution
 - Parks and Recreation Cost Recovery Policy Resolution

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RESERVED FIELD USE FEES - BACKGROUND

- City staff recently met with representatives from Santa Clara youth sports organizations and interested community members to discuss the City's field and facility use program
- More than 30 individuals participated in meeting, including representatives of:
 - Parks and Recreation Commission – Current and Former Members
 - Lions
 - PAL
 - SC Pony Baseball
 - SC Residents
 - SC Swim Club
 - SC Youth Soccer League
 - SC Unified School District
 - Westside Little League

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RESERVED FIELD USE FEES - BACKGROUND

- Recurring feedback of outreach meeting included, but was not limited to:
 - Prioritizing Santa Clara youth for field allocations
 - Safety of participants (i.e., having access to reserved fields that are not already being occupied by others, homeless entering field areas during programming, dogs on leashes, safe environment, etc.)
 - Collaboration between City and Organizations for solutions to on-going challenges and identifying Santa Clara youth sports as valued / integral part of community fabric
 - Effective use of Wade Brummal Scholarship funds
 - Use of various fee collections
 - City relationship with outside organizations

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RESERVED FIELD USE FEES

- **FY 24/25 - No fee increases are proposed for reserved field use fees for non-profits and sports leagues**
- As part of FY 23/24 fee schedule update, a referral was made from City Council to have a future discussion regarding reserved field use fees for non-profits and sports leagues.
- **Staff has committed to continued discussion with youth sports organizations regarding topics of interest, including advanced notice of any future proposed fee changes to allow organizations time to provide feedback and develop budgets.**

Next Steps

NEXT STEPS

- Complete Public Hearing on April 23, 2024
 - Resolution Consideration for FY 24/25 fee schedule
 - If Adopted, Fee Changes Are Proposed to Be Effective July 1, 2024

Questions or Feedback