



CITY OF MARTINEZ

CITY COUNCIL AGENDA January 19, 2011

TO: Mayor and City Council

FROM: Michael Chandler, Senior Management Analyst
Gary Peterson, Chief of Police

SUBJECT: Amend User Fee Schedule

DATE: January 11, 2011

RECOMMENDATION:

Conduct a public hearing to consider changes to the City's Schedule of Fees for City Services to include an Administrative Review Fee, and to increase Police vehicle storage fees.

BACKGROUND:

As part of the City's ongoing efforts to review, update and maintain its Schedule of Fees for City Services, or "Fee Schedule," the City is recommending one new fee for "Administrative Review" processes (to be set at \$130/hour); and revisions to Police Department fees for Stored Vehicle Redemption (to be increased from \$110 to \$120) and Vehicle Impound Release (to be increased from \$190 to \$210). State law authorizes a public agency to charge up to the full cost of providing a service for most user fees. Implementing the following fee recommendations does not represent full cost recovery (which takes into account all labor, benefit, and overhead cost considerations), but will bring the City closer to recovering the costs it incurs for providing the services.

Many sections in the City's existing User Fee Schedule, including Building, Engineering, and Planning, provide an option for hourly rates to be charged either in lieu of the fixed fees contained in the schedule, or for services rendered outside of the context of the Fee Schedule. A similar hourly rate is proposed for administrative review processes, primarily for reviewing, negotiating, and administering applications made to the City for new, renewed, or amended franchise agreements; license agreements; and lease agreements. Although the City already has a mechanism in place to charge for these administrative services, the fee rate to be used is not set forth by the City's fee schedule. This rate is not intended to be charged during the processing of licenses or leases for non-profit, 501(c) organizations.

For ease of administration, a flat rate of \$130/hour is recommended for the Administrative Review Fee, to be applied against a chargeable deposit in the range of \$10,000 to \$20,000, which is subject to replenishment if exhausted or refund if unused. This rate is based on a blend of the productive hourly rates of three administrative positions, Senior Management Analyst, Assistant City Manager, and City Manager. The City's Fee consultant recommended using 1,500 hours per year as the basis for determining the applicable productive hourly rates, consistent with the

City's last Comprehensive Fee Study conducted in 2004-05. The blended rate also takes into account the expectation (based on staff's past experience processing solid waste and recycling franchise agreements, pipeline franchise agreements, and wireless communications site license agreements), that 60% of the administrative review will be conducted by the Senior Management Analyst; 30% by the Assistant City Manager; and 10% by the City Manager. Although permissible by State law, no overhead for facility-related expenses is included in the calculation. As a point of reference, the hourly rates for Building and Engineering services are \$123/hour, and \$130/hour for Planning services.

The Police Department has identified two user fees in need of revision, Stored Vehicle Redemption and Vehicle Impound Release. These vehicle storage fees were updated in 2005 as part of the City's last comprehensive User Fee Study and set at \$100 for Stored Vehicle Redemption and \$175 for Vehicle Impound Release. Since that time, these fees have been increased twice, and are now \$110 and \$190, respectively. The increase in Police labor and benefit costs over the past 5 years is 20.63%. Applying just this increase of 20.63% to the 2005 fees (without accounting for any facility or vehicle-related overhead costs) results in a revised Stored Vehicle Redemption fee of \$120, and a revised Vehicle Impound Release fee of \$210. A recent Police Department survey revealed that even with the proposed fee increases, the City's vehicle storage fees remain below what many other public agencies are charging for these services.

None of the proposed fees are development fees and as such, the fees in question will go into effect upon adoption. Further, the proposed fee adjustments do not violate any of the provisions in Proposition 26, which was approved by California voters in November 2010.

FISCAL IMPACT:

Revenue generated from implementation of the Administrative Review fee is dependent upon the number and scope of applicable franchise, license, or lease applications in a given fiscal year.

Based on recent trends, revenues from Police vehicle storage fees are anticipated to increase by \$2,250 for the remainder of FY 2010-11, and by \$4,500 for the first full fiscal year, FY 2011-12, during which the increases are in effect.

ACTION:

- a) Motion adopting a resolution amending the City's Schedule of Fees for City Services to include an Administrative Review Fee; and
- b) Motion adopting a resolution amending the City's Schedule of Fees for City Services to increase Police vehicle storage fees.

Attachments: Resolutions



APPROVED BY: City Manager

RESOLUTION NO. -11

**AMENDING THE SCHEDULE OF FEES FOR CITY SERVICES
TO INCLUDE AN ADMINISTRATIVE REVIEW FEE**

WHEREAS, it is the policy of the City Council of the City of Martinez to establish fees in regard to governmental services specifically authorized by statute or ordinance as well as certain services and functions performed by the City in a proprietary capacity; and

WHEREAS, it has been the policy of the City Council of the City of Martinez to review and adjust the fees periodically to ensure they are equitable and justifiable; and

WHEREAS, the City wishes to adopt an "Administrative Review" user fee or service charge; and

WHEREAS, this Administrative Review Fee is for the purpose of recovering the City's costs related to reviewing, negotiating, and administering applications for various franchise, license, and lease agreements, or renewals or amendments thereof; and

WHEREAS, the blended hourly rate to be applied to the Administrative Review Fee represents the apportionment of hours expended by various administrative positions in providing the same or similar services on prior occasions and is comparable to hourly fee rates already established for Building, Planning, and Engineering services; and

WHEREAS, the blended hourly rate to be applied to the Administrative Review Fee is a reasonable estimate of the cost incurred by the City in providing the services of administrative review, processing, negotiations, administration, and other related tasks for franchise, license, and lease agreements; and

WHEREAS, the Administrative Review Fee will be applied on an hourly basis against a reasonable chargeable deposit in the range of \$10,000 to \$20,000, subject to replenishment if exhausted, or refund if unused; and

WHEREAS, the Administrative Review Fee is not intended to be charged during the processing of licenses or leases for 501 (c) non-profit organizations; and

WHEREAS, notice was published as required by Government Code sections 66018(a) and 6062(a); and

WHEREAS, on January 19, 2011, the City Council held a public hearing in compliance with Government Code Section 66018 where all oral and written presentations were heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the proposed Administrative Review Fee at a rate of \$130 per hour and hereby amends page 3 of the City's Schedule of Fees for City Services ("General Administrative Services Fee Schedule") to add the Administrative Review Fee enacted herein.

BE IT FURTHER RESOLVED, that the Administrative Review Fee shall be applied against a chargeable deposit in the range of \$10,000 to \$20,000 as determined by staff, subject to replenishment if exhausted, or refund if unused; and

BE IT FURTHER RESOLVED, that this Resolution shall become effective upon the date of its adoption.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19th day of January, 2011, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

RESOLUTION NO. -11

**AMENDING THE SCHEDULE OF FEES FOR CITY SERVICES
TO INCREASE POLICE VEHICLE STORAGE FEES**

WHEREAS, it is the policy of the City Council of the City of Martinez to establish fees in regard to governmental services specifically authorized by statute or ordinance as well as certain services and functions performed by the City in a proprietary capacity; and

WHEREAS, it has been the policy of the City Council of the City of Martinez to review and adjust the fees periodically to ensure they are equitable and justifiable; and

WHEREAS, the City has identified two Police Vehicle Storage fees within the City's Schedule of Fees for City Services in need of revision; and

WHEREAS, the City recommends increasing the fee for Stored Vehicle Redemption from \$110 to \$120, and increasing the fee for Vehicle Impound Release from \$190 to \$210; and

WHEREAS, all proposed fee increases are within the guidelines established by voters in California with the approval of Proposition 26, in November 2010; and

WHEREAS, the fee increases as recommended are based upon increased Police labor and benefit costs since 2005, which have outpaced the nominal increases to the Police Vehicle Storage fees since that time; and

WHEREAS, notice was published as required by Government Code sections 66018(a) and 6062(a); and

WHEREAS, on January 19, 2011, the City Council held a public hearing in compliance with Government Code Section 66018 where all oral and written presentations were heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the revisions to the Police Vehicle Storage fees to increase the fee for Stored Vehicle Redemption from \$110 to \$120 and increase the fee for Vehicle Impound Release from \$190 to \$210; and hereby amends page 20 of the City's Schedule of Fees for City Services ("Police Fee Schedule") by replacing the existing Stored Vehicle Redemption and Vehicle Impound Release fees with the fees enacted herein.

BE IT FURTHER RESOLVED, that this Resolution shall become effective upon the date of its adoption.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19th day of January, 2011, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
January 19, 2011**

TO: Mayor and City Council
FROM: Mitch Austin, Recreation Manager
SUBJECT: Co-sponsored Youth User Group Fee Schedule
DATE: January 19, 2011

RECOMMENDATION:

Conduct a public hearing to consider changes to the City's Fee Schedule.

BACKGROUND:

As part of the City's ongoing efforts to review, update and maintain its Schedule of Fees for City Services, or "Fee Schedule," the City is recommending an update to Parks and Recreation Ball Field Rental Fees for Co-sponsored User Groups. State law authorizes a public agency to charge up to the full cost of providing a service for most user fees. Implementing the following fee recommendations does not represent full cost recovery (which takes into account all labor, benefit, and overhead cost considerations), but will bring the City closer to recovering the costs it incurs for providing the services.

The "Per Player" fee charged to Co-sponsored Youth Athletic Groups for field use per season has not been increased for more than 15 years. Each group pays \$2.00 per player for an entire season's worth of field use. The cost to maintain fields and park amenities has increased. Staff is recommending that the City raise the fees to recover more of the cost necessary to maintain fields and facilities in a desirable condition and charge a reasonable rate for their usage. City staff has completed a survey of surrounding agencies (**Exhibit A**) and discovered that the fee currently being charged to Martinez Co-sponsored Youth Athletic Groups is substantially lower than any other city or agency. Even if the City were to charge the lowest hourly rate (Concord's rate, \$3/hr) for field use the cost would still be higher than staff's recommendation of a per player fee set at \$10.00.

Comparison of proposed fees to lowest hourly rate (Concord's)

Concord's Rate; 1 field x 3.5 hours (4-7:30 p.m.) x 5 days x \$3 per hour x 16 weeks = \$840 for one field
x 10 fields = \$8,400

Three Proposed Rate: 702 players (Martinez Youth Baseball) @ \$10.00 per player, per season = \$7,020

When the City's current revenues are broken down into an hourly calculation that is utilized by other comparable cities in our area, the discrepancy between the City's rates and other cities' rates becomes even more apparent.

Current rate broken down on an hourly basis

Group	Fees Paid	Hours	Cost/Hr
MBC – Martinez Baseball	\$ 160	862	\$ 0.19
MYF – Martinez Youth Football	\$ 350	111	\$ 3.15
MYBSA- Martinez Baseball/Softball	\$ 1,486	6,188	\$ 0.24
PHMSA- Pleasant Hill/Martinez Soccer	\$ 2,092	4,738	\$ 0.44
Total	\$ 4,088	11,899	\$ 0.34

Staff believes that it is important to begin raising fees now in order to achieve some alignment with a reasonable cost structure for use of City fields; otherwise, the gap will continue to grow and could cause further hardship on users groups in future years. Staff is recommending the Per Player fee structure because it is the lowest fee option as compared to the cities' survey which would bring our groups in alignment with reasonable rates. Staff is recommending a three-year period to fully phase-in the increase in order to help groups plan for the added expense.

Using the Per Player fee allows the user groups the greatest flexibility for field use without negatively impacting their budgets. Each year they can accurately estimate the cost for field use and not have to worry about changes in scheduling. It also helps reduce scheduling costs because scheduling is done in blocks of time and changes to hours of use do not have to be tracked and billed. The per player, per season rate for field use allows league to set fees with greater ease and not have to calculate hours of field use for each season. Each season a league can choose to attach the field use fee to the player fee and/or put on fundraisers to offset field use field costs.

Staff met with the user groups on Tuesday, November 9, 2010 to discuss the survey findings and proposed fee structure. The three groups in attendance were the Pleasant Hill Martinez Soccer Association, Martinez Youth Baseball and Martinez Pony (baseball) Organization. While two of the three groups supported the increases, and actually anticipated an increase because of the higher fees in other cities, one group stated that its fees for the Spring 2011 season have already been established and they have begun collecting fees for the upcoming season. They stated that it would be extremely difficult to adjust fees during a registration period. Therefore, staff is recommending that the increase become effective June 1, 2011. Consequently, the City would not realize the additional revenue until the Fall 2011 season. Staff is further recommending staggering the increases over the next three years to lessen the impact to the user groups. Therefore, the \$10 per player, per season rate would be achieved as follows:

- June 1, 2011 - \$5.00 per player, per season
- June 1, 2012 - \$7.50 per player, per season
- June 1, 2013 - \$10.00 per player, per season

Also discussed for purposes of magnitude of cost was some of the maintenance cost associated with the fields. For instance the water bill for Hidden Lakes Park fields is \$8,400 per year and comparatively the City only brings in approximately \$4,088 total from the Co-sponsored Youth Athletic Groups for use of all the City's fields for the entire year

This item came before the PRMCC on November 16, 2010. None of the sports groups attended the meeting to either support or oppose the recommendation. The PRMCC is recommending approval of the recommendation before the City Council.

Staff will continue to meet each year with the Co-sponsored Youth Athletic groups to discuss and review the proposed fee changes before coming to the PRMCC and the City Council.

FISCAL IMPACT:

Staff estimates approximately \$3,000 additional revenue in FY 2010-11 and an additional \$12,000 in FY 2011-12 peaking with additional revenue of \$16,000 by FY 2012-13 above the current revenue being received.

ACTION:

Motion adopting a resolution amending the City's Schedule of Fees for City services to increase the Co-Sponsored Youth User Group Fee.



APPROVED BY: City Manager

Attachments: Resolution to Amend Co-sponsored Youth Athletic Group Field Use Fee
Exhibit A- Youth User Group Survey

RESOLUTION NO. -11

AMENDING THE SCHEDULE OF FEES FOR CITY SERVICES
TO INCREASE THE CO-SPONSORED YOUTH USER GROUP FEE

WHEREAS, it is the policy of the City Council of the City of Martinez to establish fees in regard to governmental services specifically authorized by statute or ordinance as well as certain services and functions performed by the City in a proprietary capacity; and

WHEREAS, it has been the policy of the City Council of the City of Martinez to review and adjust the fees periodically to ensure they are equitable and justifiable; and

WHEREAS, the City wishes to adopt the schedule of increases set forth below to the Co-sponsored Youth User Group Fee user fee that is shown in the Schedule of Fees for City Services currently in effect; and

WHEREAS, the Co-sponsored Youth User Group Fee is for the purpose of recovering the City's costs related to the scheduling and maintenance of athletic fields and parks areas used to support organized use by Co-sponsored Youth User Group; and

WHEREAS, notice was published as required by Government Code sections 66018 and 6062(a); and

WHEREAS, on January 19, 2011, the City Council held a public hearing in compliance with Government Code Section 66018 where all oral and written presentations were heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the proposed fees set forth as follows:
Independent (non-City organized) co-sponsored youth recreational programs that use City sports fields.

Youth: \$2/player, per season January 1, 2011 - May 31, 2011
 \$5/player, per season June 1, 2011 - December 31, 2011

BE IT FURTHER RESOLVED THAT page 13 of the Schedule of Fees for City Services (*COMMUNITY SERVICES - SPORTS AND RECREATION*) is hereby amended to conform with the fees adopted hereinabove; and

BE IT FURTHER RESOLVED THAT this Resolution shall become effective upon its adoption.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 19th day of January, 2011, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

FIELD USER FEE SURVEY – Youth Groups

City of Martinez

- \$2 per participant - youth play – Sponsored Group

Martinez Unified School District

- **\$10 per hour with a 2 hour minimum for grass fields**
- \$100 per hour for the all weather field with lights
- \$50 per hour for the all weather field without lights

City of Benicia

- \$10 per player

City of Concord

- \$3.00 /field/hr –youth play
- \$30 /hr lights
- \$30 /field/hr – adult play
- \$25 / day – high school

Pleasant Hill Park and Recreation District

- Will be setting a \$10 per player fee

City of San Ramon

- \$6.40 /field/hr – youth play
- \$12.80 /field/hr – adult play

City of Vacaville

- **\$12.60 per participant** (\$2.90 admin + \$9.70 park maintenance) (increased by 5% annually)

City of Vallejo

- \$12 /field/hour

City of Walnut Creek

- \$27 /field/hr
- \$56 /field/hr