



**CITY OF SALINAS
FINANCE COMMITTEE**

DATE: APRIL 7, 2026

DEPARTMENT: FINANCE

FROM: SELINA ANDREWS, FINANCE DIRECTOR
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TITLE: FISCAL YEAR 2026/27 CITY-WIDE SCHEDULE OF FEES AND SERVICE CHARGES

RECOMMENDATION:

Staff recommends that the Finance Committee provide input and direction on the proposed City-wide Schedule of Fees and Service Charges for Fiscal Year 2026/27.

EXECUTIVE SUMMARY:

The Citywide fees and service charges schedule is a comprehensive document that summarizes all fees the City charges for various services and permits. This schedule ensures transparency and consistency in fees charged for services to provide cost-recovery to the General Fund and other funds. Adjusting the Fiscal Year (FY) 2026/27 in accordance with the Consumer Price Index (CPI) ensures fees and charges keep pace with inflation and sufficient cost recovery for the City. The body of this report contains details, by the department responsible, of the proposed fees and estimated costs for the services for which the fees are assessed. The updated Schedule of Fees and Charges will be effective 60 days after City Council adoption and will begin July 1, 2026.

BACKGROUND:

Pursuant to Article XIII B of the California Constitution and Chapter 11B of the Salinas Municipal Code, fees for governmental services may be charged to recover all costs reasonably borne in providing all regulation, products, or services. Costs reasonably borne are defined in City Code Section 11B-3 as a) all applicable direct costs; b) all applicable indirect costs; c) fixed assets recovery expenses (depreciation); d) general overhead; e) departmental overhead; f) debt service costs; and g) costs for necessary public services.

City Code Section 11B - Fee and Service Charge Revenue

Chapter 11B of the Salinas Municipal Code provides for adjustments to existing City fee/service charge revenue based upon increases provided in the Consumers Price Index (CPI) – All Urban Consumers for the San Francisco, Oakland, and San Jose areas. Such adjustments are presented to City Council for adoption by resolution.

Study by Willdan Financial Services

In October 2015, City Council adopted an updated Fee Schedule based on a Comprehensive Fee Study prepared by Willdan Financial Services. Willdan analyzed a variety of factors, ultimately quantifying the full cost incurred by the City in providing the respective services. The recommended fee amount was then established to achieve as close to full cost recovery as possible. A number of factors prevented full cost recovery from being attained for certain fees, including mandated fee amounts, industry averages, and full cost recovery amounts that were either exceedingly high and/or varied greatly from the prior established fee. The resulting adopted fee schedule, effective January 1, 2016, is the basis for which the current CPI increase was calculated.

DISCUSSION:

Consumer Price Index

The Consumers Price Index (CPI) – All Urban Consumers for the San Francisco, Oakland, and San Jose areas increased 2.2% in calendar year 2025. Therefore, staff recommend City fees and service charges be increased 2.2% effective July 1, 2026.

While staff recommend most City fees be increased by 2.2%, some exceptions exist. Specifically, fifty-two fees are mandated by various regulations, cannot increase, and are identified in the “Notes” column of the attachment. As a result of a joint operations agreement, seventy-four Animal Shelter fees were not increased to align with Monterey County. Department discretion was considered on a case-by-case basis, resulting in twenty-one fees either remaining unchanged or decreasing and are identified in the “Notes” and “Recommended” columns of the attachment. Conversely, departments recommended that eleven fees be increased at an amount other than the CPI and are identified accordingly. Lastly, eight new fees are being proposed and are identified in the narrative below and on the attachment.

Outreach

Consistent with previous years, outreach to the Salinas Valley Chamber of Commerce and the Non-Profit Alliance of Monterey County was conducted. In prior years, staff had also reached out to SUBA however the organization dissolved in late 2025. Staff did not receive any notice of objection or issue in regard to the proposed fee schedule for next year.

Attachment – FY 2026/27 City-Wide Schedule of Fees and Service Charges DRAFT

Finance & Administration

Recommendation includes a 2.2% CPI increase.

Cannabis

Recommendation includes a 2.2% CPI increase.

Planning

Recommendation includes a 2.2% CPI increase.

Staff recommend adding the below three (3) new fees to the City's Fee Schedule in FY 2026/27.

1. **Temporary Use of Land Permit – Live Entertainment** to address Temporary Use of Land Permits that include live entertainment (as defined in the municipal code). These permits require additional effort equivalent to Temporary Use of Land Permits - Uses up to One Year, a fee which was established through a time and motion study. Fee \$356.00
2. **Miscellaneous Planning Fees – Minor Exception – Trash Enclosure** to address the review of non-standard trash enclosure designs to ensure enclosures are appropriate for the intended property use. This fee is based on the cost of an alternative compliance review, established through a time and motion study, which requires a similar level of staff time. Fee \$356.00
3. **Miscellaneous Planning Fees – CEQA – Initial Study** to address that Current Planning fees as published can be interpreted to only charge for CEQA studies that result in a negative declaration. Staff recommend adding this fee to clarify that the City also recover costs for CEQA initial studies, where results require either a negative declaration/mitigated negative declaration or an environmental impact review (EIR). An additional CEQA negative declaration, mitigated negative declaration, or environmental impact report fee will be assessed based on the results of the initial study. This covers costs in the case a developer does not move forward with a project, or the project is delayed based on the initial study findings. Fee \$5,110.00 or cost + 20%

Staff recommend the below one (1) fee to be increased at an amount that different from the CPI.

1. **Conditional Use Permit (Minor Exception – Administrative – Driveway Width Increase)** To match the cost of Residential Design Review-Administrative and Residential Design Review-Administrative fees, which were established through a time and motion study and require a similar level of staff time. Recommend increasing the fee to \$1,001.25

Public Works

Recommendation includes a 2.2% CPI increase for most fees.

Staff recommend adding the two (2) new fees below to the City's Fee Schedule in FY 2026/27.

1. **Encroachment Permits – Tree Trimming** Fee to be in addition to parking or minor encroachment permit fee, amount aligns with similar jurisdictions. Fee \$50.00 first tree + \$20 each additional tree
2. **General Engineering – Garbage, Recycling, Organic Waste Exemption** Fee would allow for staff time in review and managing of waste hauling exemptions. Fee \$90.00

The six (6) fees below are not recommended for an increase at this time as staff determined the existing amount was sufficient to cover the cost of providing the service.

1. Fines and Citations (NPDES construction enforcement)
2. Fines and Citations (permit violations)

3. Fines and Citations (vending without permit)
4. Fines and Citations (vendor permit violation)
5. Fines and Citations (work without permit)
6. Fines and Citations (illegal tree removal)

The following two (2) fees are recommended to be increased at an amount different from the CPI to align with industry standards and actual costs.

1. Major Subdivisions – Inspection Fees
2. Major Subdivisions – Plan Check Fee

Airport

Recommendation includes a 2.2% CPI increase.

Staff recommends that the below three (3) fees remain unchanged from the prior year due to the current amounts being consistent with industry standards.

1. Fuel Flowage Fee Per Gallon – 100LL
2. Fuel Flowage Fee Per Gallon – Jet A
3. Fuel Flowage Fee Per Gallon – Quart of Oil

The below two fees (2) are recommended to increase at an amount different from the CPI to align with industry standards.

3. Aircraft Parking Fee – Single Engine
4. Aircraft Parking Fee – Double Engine

The below three fees (3) are recommended to decrease per the department to align the fee with actual cost.

1. Airport Access Control – New Card/Replacement Card
2. Airport Access Control – Remote Control
3. Airport Access Control – Annual Renewal

Fire

Recommendation includes a 2.2% CPI increase.

Police

Recommendation includes a 2.2% CPI increase.

Animal Shelter

Fees were not adjusted to align with Monterey County per joint operations agreement.

Library

Recommendation includes a 2.2% CPI increase.

The below four (4) fees are not recommended for an increase at this time as staff determined the existing amount was sufficient to cover the cost of providing the service.

1. Library Services (Replace Lost/Damaged – Non-repairable Item)
2. Library Services (Lost/Damaged Item Processing Fee)
3. Other Library Fees (Repairable Item Damage)
4. Other Library Fees (Rental Clean-up Deposit)

Recreation

Recommendation includes a 2.2% CPI increase.

Staff recommend adding the following one (1) new fee to the City’s Fee Schedule in FY 2026/27.

1. **Hebbron Family Center - Kitchen** to address cleaning of kitchen at new facility. Fee \$200.00

Building-Permit Center

Recommendation includes a 2.2% CPI increase.

Staff recommend adding the below two (2) new fees to the City’s Fee Schedule in FY 2026/27.

1. **Solar App plus OTC Permit Fee** to cover 2-hour inspection costs. Fee \$370.50
2. **Solar App plus Record Retention Fee** to be SB compliant. Fee \$45.00

Staff recommends an increase to the three (3) fees below at an amount different from the CPI.

1. **Temporary Certificate of Occupancy – Admin** Fee \$800.00
2. **Temporary Certificate of Occupancy – Deposit** Fee \$2,200.00
3. **Stop Work Notice** Fee \$2,500.00

The below one (1) fee is not recommended for an increase at this time as staff determined the existing amount was sufficient to cover the cost of providing the service.

1. **Building Investigation Fee**

Code Enforcement

Recommendation includes a 2.2% CPI increase.

Housing

Recommendation includes a 2.8% Engineering News-Record Construction Cost Index increase as stipulated in the Inclusionary Housing Ordinance.

Staff does not recommend increasing the Residential Rental Registration, Rent Stabilization, and Affordable Housing Plan Review fees at this time.

FISCAL AND SUSTAINABILITY IMPACT:

New and increased fees and service charges are an integral part of the City Council’s budget-balancing solutions, as these revenues recover the cost of the services being provided. Increased annual revenue associated with the recommended fees and service charge adjustments based on the CPI (2.2%) is estimated to be approximately \$125,000. These fee increases will be included in Fiscal Year 2026/27 estimated revenue projections.

ATTACHMENTS:

FY 2026/27 City-Wide Schedule of Fees and Service Charges DRAFT
Schedule of Fees & Service Charges Annual Update PowerPoint