



CITY OF SALINAS FINANCE COMMITTEE

DATE: APRIL 8, 2025

DEPARTMENT: FINANCE

FROM: ABE PEDROZA, ACTING ASSISTANT FINANCE DIRECTOR
SELINA ANDREWS, FINANCE DIRECTOR

TITLE: FISCAL YEAR 25-26 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 FY 2025-26.

EXECUTIVE SUMMARY:

Each year, the City's fee schedule is reviewed and adjusted by each department, as applicable, to ensure fees and charges keep pace with inflation, providing full recovery of City service costs. The updated Schedule of Fees and Charges will be effective 60 days after City Council adoption and will begin July 1, 2025.

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 2.8% in calendar year 2024. Therefore, staff recommends City fees and service charges be increased 2.8% effective July 1, 2025.

While staff recommends most City fees be increased by 2.8%, 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 eighty-nine fees either remaining unchanged or decreasing and are identified in the “Notes” and “Recommended” columns of the attachment (70 of the 89 are from the Airport section). Conversely, departments recommended that nine fees be increased at an amount other than the CPI and are identified accordingly. Lastly, twelve new fees are being proposed and are identified in the narrative below and on the attachment.

Finance Committee Recommendations & Outreach

At the April 8, 2025 Finance Committee meeting, staff will present its recommendation of a 2.8% increase per the CPI. However, staff will ultimately adjust the fee schedule at the rate determined by City Council.

Consistent with previous years, outreach to the Salinas Valley Chamber of Commerce, SUBA, and the Non-Profit Alliance of Monterey County are occurring. Updated information will be provided during the presentation to City Council on April 22, 2025.

Attachment – FY 25-26 City-Wide Schedule of Fees and Service Charges

Finance & Administration

Recommendation includes a 2.8% CPI increase.

Cannabis

Recommendation includes a 2.8% CPI increase.

Planning

Recommendation includes a 2.8% CPI increase.

Staff recommends adding the below seven (7) new fees to the City's Fee Schedule in FY 2025-26.

1. **Site Plan Review – per review (Residential Multi-Family 25+ Units)** to address larger projects in FGA. These projects that have 25 or more units take significantly more staff time. On average for all projects with 25 or more units, it takes twice the amount of time it takes for a 10-25 unit project. Original fee cost for was determined by a time and motion study, proposed fee is set to double the amount of the fee for a 10-25 unit project. Fee \$4,338.50
2. **Site Plan Review-per review (Commercial/Industrial Commercial/Industrial 10,000+ s.f.)** to address larger projects in FGA. Large commercial/industrial projects in the FGA that are 10,000 s.q. feet or more take significant staff time. These large projects average twice the staff time it takes for commercial/industrial projects up to 9,999 s.q. feet. Original fee cost was determined by a time and motion study, proposed fee is set to double the amount of the fee for commercial/ industrial projects up to 9,999 s.q. feet. Fee \$5,978.00
3. **Miscellaneous Planning Fee (SB330 Application Review)** is the same as the Tentative Map Application fee due to an equivalent level of staff time needed to process the review. The Tentative Map Application fee was established using a time and motion study. California Government Code Section 65941.1 enables processing fees for applications. \$10,968.25
4. **Planning Inspection Fee-per inspection (Residential 25+ Units)** to address larger projects in FGA. Inspections for projects that have 25 or more units take more staff time to ensure compliance with plans and building code. Original fee cost was determined by a time and motion study. Proposed fee amount follows the same incremental increase of \$76.50 that exists between the other tiers, Residential: 1-9 Units, ADU & JADU and Residential 10-24 Units. Fee \$482.50
5. **Planning Inspection Fee-per inspection (Commercial/Industrial 10,000+ sq ft)** Fee created to address larger projects in FGA. Inspections for projects that are more than 10,000 s.q. feet take more staff time to ensure compliance with plans and building code. Original fee cost was determined by a time and motion study. Proposed fee amount follows the same incremental increase of \$76.50 that exists between the other tiers, Commercial/Industrial 0-4,999 sq ft and Commercial/Industrial 5,000-9,999 sq ft. Fee \$482.50
6. **Temporary Use of Land Permit (Model Home Complex)** for the task of processing model home complexes in FGA. These are currently processed under Temporary Land Use Permit - Uses up to one year (\$348.25), but the permit for a Model Home Complex will stay open until 30 days after sale of the last house, which can take up to 10 years. The Miscellaneous Planning Fees - Preliminary Project Review is the same amount of work, so we propose using that fee as our basis. The Preliminary Project Review fee was determined by a time and motion study. \$1,045.00

7. **Miscellaneous Planning Fees (Landscape Plan Review - Commercial/Industrial)** to address larger commercial and industrial landscaping projects. The complexity of a landscape plan review for a commercial or industrial property is much greater than that of a single-family home. Typically, these projects take twice the amount of staff time. We propose doubling the current landscape review fee, which was determined using a time and motion study. \$331.50

Staff recommends the below two (2) fees are increased at an amount that different from the CPI.

1. **Conditional Use Permit (CUP-Plumbing in Accessory Structure-Administrative)** Fee was set intentionally low to allow accessory plumbing for farm workers, but it is now primarily being used as a workaround for ADUs. It takes as much staff time as the CUP - Minor Exception - Administrative fee, which was determined by a time and motion study. Recommend increasing the fee to \$979.75
2. **Miscellaneous Planning Fee (CEQA -Negative Declaration/ Mitigated Negative Declaration)** Fee is increased to align with the fees charged by the City of Seaside (\$5,544) and City of Monterey (\$5,000 deposit + any additional consulting fees). The average cost for consultant and staff time for these fees is more than triple what we are currently charging. To align the fee to recover the cost of providing the service, staff recommends a \$5,000 fee for internal work or the total of all consulting costs plus 20% for consultant and project management. The cost + 20% fee will allow staff to enter a funding agreement with the developers to cover both the consulting costs and staff time for complex projects. Fee \$5,000.00 or cost + 20%

Public Works

Recommendation includes a 2.8% CPI increase for most fees.

The below six (6) fees are not being 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)

Airport

Recommendation includes a 2.8% CPI increase, although staff recommends that the below seventy (70) fees remain unchanged from the prior year.

1. Airport Storage Hangars - Group 1 A - End Room
2. Airport Storage Hangars - Group 1 A - T Hanger
3. Airport Storage Hangars - Group 1 B - End Room
4. Airport Storage Hangars - Group 1 B - T Hanger
5. Airport Storage Hangars - Group 1 C - End Room
6. Airport Storage Hangars - Group 1 C - T Hanger
7. Airport Storage Hangars - Group 2 K - End Room
8. Airport Storage Hangars - Group 2 K - T Hanger

9. Airport Storage Hangars - Group 2 L - End Room
10. Airport Storage Hangars - Group 2 L - T Hanger
11. Airport Storage Hangars - Group 2 M - End Room
12. Airport Storage Hangars - Group 2 M - T Hanger
13. Airport Storage Hangars - Group 2 O - End Room
14. Airport Storage Hangars - Group 2 O - T Hanger
15. Airport Storage Hangars - Group 2 Q - End Room
16. Airport Storage Hangars - Group 2 Q - T Hanger
17. Airport Storage Hangars - Group 2 S - End Room
18. Airport Storage Hangars - Group 2 S - T Hanger
19. Airport Storage Hangars - Group 2 T - End Room
20. Airport Storage Hangars - Group 2 T - T Hanger
21. Airport Storage Hangars - Group 3 N - 1
22. Airport Storage Hangars - Group 3 N - 2-8
23. Airport Storage Hangars - Group 4 D - T Hanger
24. Airport Storage Hangars - Group 4 E - End Room
25. Airport Storage Hangars - Group 4 E - T Hanger
26. Airport Storage Hangars - Group 4 Portable
27. Airport Storage Hangars - Executive R1
28. Airport Storage Hangars - Executive R2-5
29. Airport Storage Hangars - Executive R6
30. Airport Storage Hangars - Executive R7-10
31. Airport Storage Hangars - T-Shelter/Storage G - Covered
32. Airport Storage Hangars - T-Shelter/Storage H1
33. Airport Storage Hangars - T-Shelter/Storage H2
34. Airport Storage Hangars - T-Shelter/Storage H3
35. Airport Storage Hangars - T-Shelter/Storage H4
36. Airport Storage Hangars - T-Shelter/Storage H5
37. Airport Storage Hangars - T-Shelter/Storage H6
38. Airport Storage Hangars - T-Shelter/Storage H7
39. Airport Storage Hangar - Refuse Fee
40. Airport Storage Hangar - Non-Aeronautical Use Surcharge
41. Airport Storage Hangar - Non-Airworthy Aircraft
42. Airport Storage Hangar - Non-Airworthy Aircraft
43. Airport Storage Hangar - Non-Airworthy Aircraft
44. Aircraft Parking Fee - Single Engine
45. Aircraft Parking Fee - Twin Engine
46. Aircraft Parking Fee - Jet
47. Aircraft Parking Fee - Helicopter
48. Aircraft Parking Fee - Airship Mooring
49. Aircraft Parking Fee - Single Engine
50. Aircraft Parking Fee - Twin Engine
51. Aircraft Parking Fee - Jet
52. Aircraft Parking Fee - Helicopter
53. Aircraft Parking Fee - Airship Mooring
54. Terminal Overnight Vehicle Parking Fee - Single Space

55. Terminal Overnight Vehicle Parking Fee - Double Space
56. Terminal Overnight Vehicle Parking Fee - Semi-Truck
57. Long-Term Vehicle Storage
58. Airport Access Control - New Card/Replacement Card
59. Airport Access Control - Remote Control
60. Airport Access Control - Annual Renewal
61. Airport Access Control - Annual Access Code
62. Airport Access Control - City Locks (Lost/Replacement)
63. Airport Access Control - Replacement/Additional Keys
64. Fuel Flowage Fee Per Gallon Quart of Oil
65. Hangar Waitlist Fee
66. Hazardous Material Disposal Fee
67. Hazardous Material Disposal Material Replacement
68. Refuge Disposal Fee
69. Special Event Fee
70. Special Use Permit Fee

Fire

Recommendation includes a 2.8% CPI increase.

Police

Recommendation includes a 2.8% CPI increase.

Animal Shelter

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

Library

Recommendation includes a 2.8% CPI increase.

Recreation

Recommendation includes a 2.8% CPI increase.

Building-Permit Center

Recommendation includes a 2.8% CPI increase.

Staff recommends adding the below five (5) new fees to the City's Fee Schedule in FY 2025-26.

1. **Revision Submittals (scope of work will determine the amount of review time needed at intake)** Fee \$165.00
2. **Consultant Plan Review** Fee Actual Cost
3. **Administrative Processing Fees** (for additional work required due to failure by applicant) Fee \$60.00
4. **Subdivision Master Plans (Combo Plan Check fee + 10%)** Fee BCP + 10%
5. **Solar Cancellation Charge (permit issuance fee only)** Fee \$100.00

Staff recommends an increase to the below six (6) fees at an amount different from the CPI.

1. **Building Permit Fee Valuation Fee \$1 - \$500** Fee \$182 minimum

2. **Building Permit Fee Valuation Fee \$501 to \$2,000** Fee \$182 for the first \$500 plus \$4.50 for each additional \$100, or fraction thereof, to and including \$2,000
3. **Building Permit Fee Valuation Fee \$2,001 to \$25,000** Fee \$364 for the first \$2,000 plus \$19.00 for each additional \$1,000, or fraction thereof, to and including \$25,000
4. **Subdivision plot plan review** Fee \$1,600 or 25%, whichever is greater
5. **Supplemental Plan Check** (after 2nd PC comments, each re-submittal or OTC check fraction thereof) Fee \$159
6. **Abbreviated Plan Check** per hour OR 1/4 hour increments

The below two (2) fees are not being recommended for an increase at this time as staff determined the existing amount was sufficient for to cover the cost of providing the service.

1. **Building Investigation Fee**
2. **Stop Work Notice**

Code Enforcement

Recommendation includes a 2.8% CPI increase.

Staff recommends an increase to the below fee at an amount different from the CPI.

1. **Special Inspection (SCI)** Fee \$181.25

Housing

Recommendation includes a 1.6% 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 (2.8%) is estimated to be approximately \$125,000. These fee increases will be included in Fiscal Year 2025-26 estimated revenue projections.

ATTACHMENTS:

FY 25-26 City-Wide Schedule of Fees and Service Charges DRAFT
Schedule of Fees & Service Charges Annual Update PowerPoint