

Meeting Date: 5/14/2013

Report Type: Public Hearing

Report ID: 2013-00058

Title: FY2013/14 Citywide Fees and Charges Update

Location: Citywide

Issue: Pursuant to the Citywide Fees and Charges policy, Council approval is required to add, modify, or delete any fees and charges.

Recommendation: Conduct a public hearing and upon conclusion adopt a Resolution approving the proposed fee and charge adjustments.

Contact: Contact: Leyne Milstein, Finance Director, (916) 808-8491; Dawn Holm, Budget Manager (916) 808-5574; Jason Bader, Principal Management Analyst, (916) 808-5817

Presenter: Jason Bader, Principal Management Analyst, (916) 808-5817

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

- 1-Description/Analysis
- 2-Attachment 1-Fee Policy
- 3-Attachment 2-Proposition 26
- 4-Attachment 2-Resolution
- 5-Exhibit A-Fees

City Attorney Review

Approved as to Form
Gerald Hicks
5/8/2013 5:16:02 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/8/2013 11:54:40 AM



Description/Analysis

Issue: On February 7, 2006 (Resolution 2006-106), the City Council formally adopted a citywide Fees and Charges Policy (Attachment 1). This policy ensures that City fees and charges reflect the Council's direction regarding recovery of costs related to providing programs and services.

Consistent with the Fees and Charges Policy, changes to City fees and charges requiring Council approval are included in Exhibit A of the Resolution. The following departments have identified changes to the current fee schedule: City Clerk's Office; Convention, Culture & Leisure; Finance; General Services; Human Resources; Parks and Recreation; Police; and Utilities. The following provides highlights of some fees that are new, proposed to be deleted and/or have significant financial implications:

General Services

Animal Care – Adjustments to align fees with the actual cost of providing the service, fee decreases to encourage compliance with licensing laws, and the elimination of fees that are collected under other existing services.

Solid Waste – These fees were not included in prior Fee and Charge reports. There are no changes to these fees. This information is being provided to abide by the existing citywide Fees and Charges policy and includes all existing fees for transfer station household hazardous waste disposal.

Parks and Recreation

Increase daily and multi-use pass swimming pool entry fees for all age groups in order to bring all pool fees to the same level across the City and provide further restoration of services. Modify fees for community center computer labs and weight room use.

Police

Establish late fees for alarm permits and false alarms as well as an in-person alarm appeal fee.

Utilities

Establish water service discontinuance fees in the Water Fund, establish a ground water discharge capacity analysis fee in the Wastewater Fund, and modify the storm drainage service rates for airports in the Storm Drainage Fund.

All other fee changes included in Exhibit A are necessary to recover the actual cost of providing service and are not related to CPI or expanded programs or services.

An online database and website have been developed to provide a single place to store information on all City fees and charges that provides the public with easy access to information about departmental fees and charges. The database can be

found on the City of Sacramento Finance Department website:
<http://www.cityofsacramento.org/finance/fees/index.cfm>

Policy Considerations: Maintaining the objectives outlined in the Fees and Charges Policy is consistent with and supports the City's goals of budget sustainability and fiscal responsibility.

Economic Impacts: None

Environmental Considerations: Approval of fees and the maintenance of a website does not constitute a "project" and is therefore exempt from the California Environmental Quality Act (CEQA) according to Section 15601(b)(3) of the CEQA guidelines.

Sustainability: There are no sustainability issues associated with this report.

Commission/Committee Action: On May 2, 2013, the Parks and Recreation Commission unanimously supported proposed fee increases for recreation swim pool entry fees and passes, and adjustments to the monthly use fee range for Community Center computer labs and weight rooms.

Rationale for Recommendation: The annual review of citywide fees and charges helps to ensure that the City's recovery of costs for services provided keep pace with changes in the cost-of-living index, as well as changes in methods or levels of service delivery.

Financial Considerations: The review and adjustment of citywide cost recovery through fees and charges is an appropriate mechanism to offset General Fund expenditures. In this case, it is important to note that the proposed fees and charges in this report are necessary to sustain existing revenue budgets and do not provide any additional resources.

Proposition 26 was passed by the voters on November 2, 2010, to amend Article XIII C of the state Constitution. According to the ballot measure, the intent of the measure is to ensure the effectiveness of Propositions 13 and 218 by providing a definition of a "tax" for state and local purposes "so that neither the Legislature nor local governments can circumvent these restrictions on increasing taxes by simply defining new or expanded taxes as 'fees'." Thus, under Proposition 26 a tax has been defined very broadly to include any levy, charge, or exaction of any kind imposed by a local government, except for seven specified categories of charges. Moreover, the City bears the burden of proving that a fee or charge is not a tax. Toward this end, the report contains summary information, as appropriate, explaining why each proposed fee or fee increase is not a tax under Proposition 26.

Emerging Small Business Development (ESBD): There are no ESBD considerations with this report.



CITY OF SACRAMENTO FEES AND CHARGES POLICY

The City of Sacramento has the ability to determine the extent to which fees should be used to fund City facilities, infrastructure and services.

There are five main categories of fees that the City currently implements¹:

- ✓ **Impact/development fees** are typically one-time charges levied by the City against new development to generate revenue for the construction of infrastructure and capital facilities needed to offset the impacts of the new development.
- ✓ **Service fees** are charges imposed on persons or property that are designed to offset the cost of providing a government service. Sometimes these services are elective, such as fees for processing voluntary development permit applications, or providing service/recreation programs, while other service fees are not, such as mandatory service fees for trash or utility services. Such fees are typically reasonably related to the cost of providing the service for which the fee is imposed. Otherwise, the fee may constitute a special tax for which voter approval is required by Propositions 13, 62, and 218.
- ✓ **Regulatory fees** are imposed to offset the cost of a regulatory program, such as business regulatory fees, or to mitigate the past, present or future adverse impact of a fee payer's operations. While payment of a regulatory fee does not necessarily provide any direct benefit from payment of the fee, there must be a "nexus" between the activity and the adverse consequences addressed by the fee. Common examples of regulatory fees include inspection fees and business license fees designed to reimburse a local agency for the cost of monitoring the business and enforcing compliance with City code.
- ✓ **Rental fees** are charged for the rental of public property and include the rental of real property, parking spaces in a public parking lot, or the rental of community facilities such as a recreation or community room or picnic area. Rental fees are not subject to the general rule that the fee must bear a direct relationship to the reasonable cost of providing the service for which the fee is charged, however, rental fees must be fair and reasonable.
- ✓ **Penalties/Fines** are payment required for non-compliance or failure to adhere to specific rules and/or requirements.

This document sets forth guidelines for:

1 League of California Cities Website: Spring Meeting May 13-15, 1998 Laurence S. Wiener, Esq. City Attorney of Beverly Hills and Westlake Village **THE CITY ATTORNEY'S ROLE IN EVALUATING FEE STUDIES.**

- Establishing cost recovery goals;
- Determining the categories of cost recovery levels in which to categorize/organize fees;
- Methods for determining which category a fee falls under; and
- Establishment and modification of fees and charges.

A. Cost Recovery Goals

In setting user fees and cost recovery levels, the following factors will be considered²:

- 1) The amount of a fee should not exceed the overall cost of providing the facility, infrastructure or service for which the fee is imposed. In calculating that cost, direct and indirect costs may be included. That is:
 - Costs which are directly related to the provision of the service; and,
 - Support costs which are more general in nature but provide support for the provision of the service. For example, service fees can include reimbursement for the administrative costs of providing the service. Development fees can include the cost of administering the program to construct public facilities that are necessary to serve new development.
- 2) The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
- 3) Fees should be sensitive to the “market” for similar services.
In addition, in setting enterprise fund fees and cost recovery levels, the following factors will be considered:
- 4) The City will set fees and rates at levels which fully cover the total direct and indirect costs, including operations, capital outlay and debt service of the enterprise programs.
- 5) The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.

B. Categories of Cost Recovery Levels in Which to Categorize/Organize Fees

There are five categories of cost recovery levels in which to classify fees:

1. **Enterprise:** Full direct and indirect cost recovery (100% of total costs) for enterprise services such as water, sewer and solid waste, as well as impact/development fees.
2. **High:** Full direct cost recovery (81-100% of total costs).

² Government Finance Officers Association Website, Best Practices in Public Budgeting, City of San Luis Obispo: User Fee Cost Recovery Goals, 2005.

3. **Medium:** Recovery between 41-80% of direct costs.
4. **Low:** Recovery between 0-40% of direct costs.
5. **Other:** Fees based on market, geography, assessment, project specific, legal limits or specific Council policy.

The City may choose, for policy reasons, to set fees at less than full recovery. For example, fees based on market, geography, assessment, project specific, statutory/legal limits or specific Council policy. In some cases, the City will acknowledge that a subsidy is acceptable, or even necessary to ensure program access and viability.

C. Methods for Determining Which Category a Fee Falls Under

Implementation of higher cost recovery levels is appropriate under the following conditions (up to 100% of the cost of the service or program):

- The service is regulatory in nature (e.g. building permits, plan check fees);
- The service is similar to services provided through the private sector;
- Other private or public sector alternatives could or do exist for the delivery of the service;
- The use of the service is specifically discouraged (e.g. police responses to disturbances or false alarms might fall into this category).
- The service or facility is a specialized use that could be provided at a lower cost if not for specific nature or service (e.g. lighted fields).

Lower cost recovery levels are appropriate under the following conditions:

- There is no intended relationship between the amount paid and the benefit received. (It is likely that some recreation and human service programs fall into this category as it is expected that these programs will be subsidized by funds);
- Collecting fees is not cost-effective or will significantly impact the accessibility to the service;
- The service is non-recurring, generally delivered on a peak demand or emergency basis, cannot be planned for and is not readily available from a private sector source (e.g. public safety services);
- Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City.

Other:

- Market pricing requires that there be a direct relationship between the amount paid and the level and cost of the service received or a direct relationship to actual prices being charged for the service in the current market.
- Legal specifications and/or limitations to the amount that is charged.

- Adopted Council Policy setting specific fee.

Factors to Consider

The extent to which the total cost of service should be recovered through fees depends upon the following factors:

- ✓ The nature of the facilities, infrastructure or services;
- ✓ The nature and extent of the benefit to the fee payer;
- ✓ The effect of pricing on the demand for services; and
- ✓ The feasibility of collection and recovery.

The chart below reflects these factors and the potential options for higher or lower cost recovery³:

³ Government Finance Officers Association Website, Best Practices in Public Budgeting, City of Fort Collins, CO: User Fee Policies, 2005.

	The Nature of the Facilities, Infrastructure or Services	The Nature and Extent of the Benefit to The Fee Payers	Effect of Pricing on the Demand for Services	Feasibility of Collection and Recovery
Higher Cost Recovery	In the case of fees for facilities, infrastructure and proprietary services ⁴ , total cost recovery may be warranted.	When a particular facility or service results in substantial, immediate and direct benefit to fee payers, a higher percentage of the cost of providing the facility or service should be recovered by the fee.	Because the pricing of services can significantly affect demand, full cost recovery for services is more appropriate when the market for the services is strong and will support a high level of cost recovery.	In the case of impact fees, which can be collected at the time of issuance of a building permit, ease of collection is generally not a factor.
Lower Cost Recovery	In the case of governmental services ⁵ , it may be appropriate for a substantial portion of the cost of such services to be borne by the City's taxpayers, rather than the individual users of such services.	When a particular facility or service benefits not only the fee payer but also a substantial segment of the community, lower cost recovery is warranted.	If high levels of cost recovery affect accessibility to or negatively impact the delivery of services to lower income groups, this should be considered based on the overall goals of the program being implemented.	Some fees may prove to be impractical for the City to utilize if they are too costly to administer.

D. Establishment and Modification of Fees and Charges

Fees will be reviewed and updated on an ongoing basis as part of the annual budget process to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. At the beginning of the budget process each department will submit a list of proposed adjustments to their section of the master fee schedule. Each service must be assigned a target cost recovery level as defined above.

Maintaining competitive status and comparability with other cities should be considered when determining new fee levels. Those fees that are proposed for adjustment should be benchmarked against neighboring jurisdiction fee schedules or

⁴ Proprietary services are those which are provided for the benefit and enjoyment of the residents of the City

⁵ Governmental services are those which are provided by the City for the public good such as regulating land use, maintaining streets, and providing police and fire protection.

appropriate service markets. The benchmark analysis should be taken into consideration when making final pricing decisions.

However, the City may choose, for policy reasons, to set fees at less than full recovery. (for example, fees based on market, geography, assessment, project specific, statutory/legal limits or specific Council policy). As stated above, in some cases, the City will acknowledge that a subsidy is acceptable, or even necessary to ensure program access and viability. Where appropriate, fees that have not been increased in some time should have increases phased in over several years to avoid 'sticker shock' increases.

If a particular fee is not adjusted in the budget process, to the extent feasible and/or appropriate, it should be increased biannually by a CPI factor to keep pace with inflation. For CPI adjustments the City will use the *Employee Cost Index for State and Local Government Employees, Total Compensation* as published by the Bureau of Labor Statistics. Biannually, the Finance Department shall determine the percentage change in this index and apply the increase or decrease to the master fee schedule, rounding up to the nearest whole dollar. Certain fees are exempt from an index adjustment, such as fees set by the State of California, percentage-based fees or those that have been identified as inappropriate for indexed fee increases (e.g. feasibility or fees that are based on market for services). Exempt fees are noted in the master fee schedule. Council may consider fee issues outside of the annual budget process on a case by case basis.

The City should conduct a comprehensive cost of service analysis every five to seven years to ensure fees and charges are set appropriately. Generally, fees may be adjusted based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery. For example, changes in processes and technology change the staff time required to provide services to the public. A cost of service study will identify and quantify these changes.



Proposition 26

Proposition 26, the “Stop Hidden Taxes Initiative,” was passed by the voters on November 2, 2010, to amend Article XIII C of the State Constitution. According to the ballot measure, the intent of the measure is to ensure the effectiveness of Propositions 13 and 218 by providing a definition of a “tax” for state and local purposes “so that neither the Legislature nor local governments can circumvent these restrictions on increasing taxes by simply defining new or expanded taxes as ‘fees’” Accordingly, under Proposition 26 a tax has been very broadly defined.

Tax Defined:

“Tax” now means “any levy, charge, or exaction of any kind imposed by a local government, except for the following seven categories of charges:

Exception 1 – Benefit Conferred or Privilege Granted

A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege

Examples:

- Residential parking permit fees
- Professional licenses
- Business improvement assessments

Exception 2 – Government Service or Product

A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product

Examples:

- User fees for park and recreation programs
- Weed abatement fees
- Sidewalk curb repairs

Exception 3 – Licenses and Permits

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof

Examples:

- Building inspections
- Cardroom license
- Business licenses

Exception 4 – Use of City property

A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property

Examples:

- City-owned parking lots
- Swimming pools
- Convention Center rentals
- Golf green fees

Exception 5 – Fines and Penalties

A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law

Examples:

- City Code fines and penalties (e.g., 1.28.020)
- Parking fines

Exception 6 – Property Development Charges

A charge imposed as a condition of property development

Examples:

- Development impact fees

Exception 7 – Proposition 218 Fees

Assessments and property related fees imposed in accordance with the provisions of Proposition 218, Article XIII D

Examples:

- Utility fees for water, sewer, drainage, and solid waste
- Street lighting assessments

Burden of Proof:

The paragraph following the seven enumerated exceptions states:

“The local government bears the burden of proving by a preponderance of the evidence [1] that a levy, charge, or other exaction is not a tax, [2] that the amount is no more than necessary to cover the reasonable costs of the government activity, and [3] that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” The latter two requirements only apply to the first three exceptions.

Thus, with the burden of proof now shifted to the City, that requires each department to take into consideration how it aims to prove that a proposed fee or fee increase is not a tax. The following analytical framework can assist in this regard.

Burden of Proof: A 3-step Analysis

1. The City must make a threshold determination whether one of the exceptions applies
 - If none apply, it is a tax subject to voter approval
2. If Exceptions 1, 2, or 3 apply, the City must also show that the fee revenue will not exceed the reasonable costs of providing the related governmental activity (at the aggregate level).
3. Finally, the City must show that the costs are fairly allocated to the individual payors.



RESOLUTION NO. 2013-XXX

Adopted by the Sacramento City Council

May 14, 2013

APPROVING CITYWIDE FEE AND CHARGE ADJUSTMENTS

BACKGROUND:

- A. On February 7, 2006, the City Council adopted the Citywide Fees and Charges policy (Resolution No. 2006-106).
- B. Implementation of the policy requires a necessary mechanism to ensure that the City's fees and charges reflect the City's current costs and that those fees and charges are reviewed on an annual basis by City Council. Staff has conducted the required annual review and recommends certain new fees and fee adjustments.
- C. Proposed new fees, deleted fees, and fee adjustments are set forth in Exhibit A.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The fee and charge adjustments as set forth in Exhibit A are hereby approved.

Section 2. Exhibit A is part of this resolution.

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Exhibit A - FY2013/14 Adjustments to Fees and Charges



FY2013/14 ADJUSTMENTS TO FEES AND CHARGES

CITY CLERK'S OFFICE

City Clerk – General Fund (Fund 1001)

Fee Name: Verbatim Transcripts of City Council Meetings
Current Fee: Actual vendor rate/per request
Proposed Fee: \$0
Justification: Eliminate as an outdated service.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

CONVENTION, CULTURE & LEISURE

Old Sacramento Historic District – General Fund (Fund 1001)

Fee Name: Landing Use Service Fee – Tower Bridge Landing
Current Fee: \$140 – 100 or less participants
\$400 – 100 or more participants
Proposed Fee: \$400 – 100 or less participants
\$500 – 101 to 200 participants (location maximum is 200 participants)
Justification: Rental fee will be applied to coordinate customer service requests for use of the Tower Bridge Landing (formally the South Landing Barge)
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 4, use of City Property.

FINANCE DEPARTMENT

Public Improvement Financing – Private Development Fund (Fund 2018)

Fee Name:	Unanimous Approval Annexation Application Fee
Current Fees:	\$1,275 for first two single family residential lots or multi-family/condo/townhouse units. \$15 for each additional single family residential lot or multi-family/condo/townhouse unit, not to exceed \$7,500 for each annexation application.
Proposed Fees:	\$1,750 for first two single family residential lots or multi-family/condo/townhouse units. \$15 for each additional single family residential lot or multi-family/condo/townhouse unit, not to exceed \$7,500 for each annexation application
Justification:	Increased fee to reflect recovery of actual staff and administrative costs based on recent cost analysis.
Proposition 26:	This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. This fee recoups the City's reasonable costs of facilitating the annexation of single family residential lots or multi-family/condo/townhouse units to a community facility district. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

GENERAL SERVICES DEPARTMENT

Animal Care Services – General Fund (Fund 1001)

Fee Name: Spay/neuter deposit
Current Fee: \$40.00
Proposed Fee: Delete Fee
Justification: No longer applicable.
Proposition 26: NA-This fee is being deleted.

Fee Name: Adoption (Rabbit)
Current Fee: \$25.00
Proposed Fee: \$35.00
Justification: The proposed fee reflects the cost of providing and administering this service. A portion of the proposed fee is targeted toward housing costs including care, feeding, medicating, cleaning, adoption/rescue placement, and euthanasia if the animal cannot be placed due to behavior or health.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Board Fees
Current Fee: \$12 per day or portion thereof for all impounded and confiscated animals
Proposed Fee: \$15 per day or portion thereof for all impounded and confiscated animals
Justification: The proposed fee reflects the cost of daily feeding, cleaning and care for animals boarded at the shelter.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Confiscation Fees – Biting or intimidating dog
Current Fee: \$200
Proposed Fee: Delete Fee
Justification: This fee is deleted because these costs are recouped under another fee, namely, Impound Fees – Potentially dangerous dogs-see Resolution No. 2010-265.
Proposition 26: NA-this fee is being deleted

Fee Name: Confiscation Fees – Dangerous dog
Current Fee: \$300
Proposed Fee: Delete Fee
Justification: This fee is deleted because these costs are recouped under another fee, namely, Impound Fees – Potentially dangerous dogs-see Resolution No. 2010-265.
Proposition 26: NA-this fee is being deleted

Fee Name: **Field Service Fees/Handling Fees – Owned animal pick up**
Current Fee: \$25
Proposed Fee: Delete Fee
Justification: This fee is deleted because the cost for this service is covered under Incidental Services.
Proposition 26: NA-this fee is being deleted

Fee Name: **Field Service Fees/Handling Fees – Wildlife pick up**
Current Fee: \$25
Proposed Fee: Delete fee
Justification: This fee is deleted because the cost for this service is covered under Incidental Services.
Proposition 26: NA-this fee is being deleted

Fee Name: **Incidental services**
Current Fee: \$40 per hour
Proposed Fee: \$50 per hour
Justification: The fee is intended to partially recover the cost of sending enforcement staff out into the field.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: **Handling Fees Wildlife business**
Current Fee: \$30
Proposed Fee: Delete Fee
Justification: This fee is deleted because the cost for this service is covered under Incidental Services.
Proposition 26: NA-this fee is being deleted

Fee Name: **Handling Fees Wildlife Business (per animal override)**
Current Fee: \$30
Proposed Fee: Delete Fee
Justification: This fee is deleted because the cost for this service is covered under Incidental Services.
Proposition 26: NA-this fee is being deleted

Fee Name: **Handling Fees (owner surrender) – Litter**
Current Fee: \$25 for first plus \$5 for each additional
Proposed Fee: \$50
Justification: The proposed fee reflects the cost of providing and administering the service. Litters often require special housing and handling. A portion of the proposed fee is targeted toward housing costs including care, feeding, medicating, cleaning, adoption/rescue placement and euthanasia if the animal cannot be placed due to behavior or health.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: **Handling Fees (owner surrender) – Litter each additional animal**
Current Fee: \$5 for each additional
Proposed Fee: Delete Fee
Justification: This fee is deleted because this cost is recouped in Handling Fees (owner surrender) – Litter.
Proposition 26: NA-this fee is being deleted

Fee Name: **Handling Fees (owner surrender) – Euthanasia request**
Current Fee: \$30
Proposed Fee: Delete Fee
Justification: This fee is deleted because this cost is recouped under Owner surrender services.
Proposition 26: NA-this fee is being deleted

Fee Name: **Animal Care Impounds/Redemptions - Veterinarian treatment**
Current Fee: \$50 per hour
Proposed Fee: \$60 per hour
Justification: The proposed fee reflects the current average hourly rate of veterinarian staff. The fees are intended to partially recover the costs of administering medical care to boarded/injured/sick animals. Consequently, a portion of the proposed fee is targeted toward medical and surgical costs.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Licensing – 1 year altered dog
Current Fee: \$15
Proposed Fee: \$20
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits.

Fee Name: Licensing – 1 year unaltered dog
Current Fee: \$150
Proposed Fee: \$75
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof. Lowering the fee to \$75 will encourage more people to pay the license fee, which should increase the number of paid licenses.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits.

Fee Name: Licensing – 3 year unaltered dog
Current Fee: \$400
Proposed Fee: \$200
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof. Lowering the fee to \$200 will encourage more people to pay the license fee, which should increase the number of paid licenses.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits.

Fee Name: Licensing – 3 year altered dog
Current Fee: \$35
Proposed Fee: \$50
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits. The proposed fee recoups the department's actual cost of providing the service.

Fee Name: Licensing – 1 year unaltered swine (mini pig)
Current Fee: \$150
Proposed Fee: \$75
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof. Lowering the fee to \$75 will encourage more people to pay the license fee, which should increase the number of paid licenses.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under exception 3, licenses and permits.

Fee Name: Licensing – 3 year unaltered swine (mini pig)
Current Fee: \$400
Proposed Fee: \$200
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof. Lowering the fee to \$200 will encourage more people to pay the license fee, which should increase the number of paid licenses.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits.

Fee Name: Licensing – Altered - Unlicensed redeemed animals
Current Fee: \$15
Proposed Fee: \$20
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits.

Fee Name: Licensing – Unaltered – Unlicensed redeemed animals
Current Fee: \$150
Proposed Fee: \$75
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof. Lowering the fee to \$75 will encourage more people to pay the license fee, which should increase the number of paid licenses.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, licenses and permits.

Fee Name: Licensing – Late Penalty - Within 30 days of renewal date
Current Fee: \$10
Proposed Fee: Delete Fee
Justification: Eliminating this penalty should encourage more people to pay the license fee, even though they may be late, which should offset the loss of late penalty revenue.
Proposition 26: NA-this fee is being deleted

Fee Name: Licensing – Late Penalty - After 60 days of renewal date
Current Fee: \$100
Proposed Fee: Delete Fee
Justification: Eliminating this penalty should encourage more people to pay the license fee, even though they may be late, which should offset the loss of late penalty revenue.
Proposition 26: NA-this fee is being deleted

Fee Name: Misc. fees - Trap Rental (per week)
Current Fee: \$30
Proposed Fee: Delete fee
Justification: This fee is deleted because the cost of this service is recouped under Misc. Fees – Trap Deposit.
Proposition 26: NA-this fee is being deleted

Fee Name: Misc. Fees – Trap Deposit
Current Fee: \$50 per week
Proposed Fee: \$80 per week
Justification: The proposed fee is the replacement cost of a trap should it not be returned.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Quarantine: Bite – Non-quarantine bite follow up
Current Fee: \$25
Proposed Fee: \$50
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 5, fines and penalties.

Fee Name: Quarantine: Bite - 1st occurrence
Current Fee: \$50
Proposed Fee: \$75
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 5, fines and penalties.

Fee Name: Quarantine: Bite - 2nd occurrence
Current Fee: \$75
Proposed Fee: \$100
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 5, fines and penalties.

Fee Name: Quarantine: Bite - 3rd occurrence
Current Fee: \$100
Proposed Fee: \$150
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 5, fines and penalties.

Fee Name: Quarantine: In-home quarantine
Current Fee: \$25
Proposed Fee: \$50
Justification: A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, and administrative enforcement and adjudication thereof.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 5, fines and penalties.

Fee Name: Vaccination fees: Heartworm test
Current Fee: \$12
Proposed Fee: \$15
Justification: This fee is intended to help recover the cost incurred in providing this service, and the associated expense of purchasing the testing material.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Vaccination fees: Leukemia / AIDS test
Current Fee: \$15
Proposed Fee: \$25
Justification: This fee is intended to help recover the cost incurred in providing this service, and the associated expense of purchasing the testing material.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under exception 2, a fee for government services.

Fee Name: Vaccination fees: Rabies
Current Fee: \$8
Proposed Fee: \$10
Justification: This fee is intended to help recover the cost incurred in providing this service, including the expense of purchasing the vaccination.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Vaccination fees: Bordetella
Current Fee: \$6
Proposed Fee: \$8
Justification: This fee is intended to help recover the cost incurred in providing this service, and the associated expense of purchasing the vaccination.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Vaccination fees: DA2PLCPVC
Current Fee: \$6
Proposed Fee: \$8
Justification: This fee is intended to help recover the cost incurred in providing this service, and the associated expense of purchasing the testing material.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Fee Name: Vaccination fees: Veterinarian exam fee
Current Fee: \$50
Proposed Fee: \$60
Justification: This fee is intended to help recover the cost incurred in providing this service.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services.

Recycling and Solid Waste Division – Solid Waste Fund (Fund 6007)

Fee Name: Hazardous Material Disposal Rates

Current Fee/

Proposed Fee: See Table

Material	Unit	Current Fee (Total per Unit)	Proposed Fee (Total per Unit)
Latex Paint	gallon	\$5.64	\$5.64
Oil Base Paint	gallon	\$5.21	\$5.21
Flammable Liquids (for consolidation)	gallon	\$4.02	\$4.02
Flammable Liquids	gallon	\$6.38	\$6.38
Flammable Solids	pound	\$0.74	\$0.74
Base Liquids	gallon	\$6.38	\$6.38
Base Solids	pound	\$0.74	\$0.74
Acid Liquids	gallon	\$6.38	\$6.38
Acid Solids	pound	\$0.74	\$0.74
Oxidizing Liquids	gallon	\$6.38	\$6.38
Oxidizing Solids	pound	\$0.74	\$0.74
Toxic Liquids	gallon	\$6.38	\$6.38
Toxic Solids	pound	\$0.74	\$0.74
Non-Rcra Liquids	gallon	\$6.38	\$6.38
Non-Rcra Liquids/Solids (by lbs.)	pound	\$0.74	\$0.74
5 gal. Propane Tank	Each	\$10.74	\$10.74
7 gal. Propane Tank	Each	\$14.50	\$14.50
Pint Propane Tanks	Each	\$1.18	\$1.18
Fire Extinguisher	pound	\$0.53	\$0.53
Aerosols	pound	\$56.18	\$56.18
Oil Filters	pound	\$0.27	\$0.27
Compressor Oil	gallon	\$6.83	\$6.83
Motor Oil - Uncontaminated	gallon	\$1.62	\$1.62
Antifreeze	gallon	\$1.62	\$1.62
Car Batteries	pound	\$0.18	\$0.18
Alkaline Batteries	pound	\$0.88	\$0.88
Rechargeable Batteries	pound	\$0.18	\$0.18
Mercury	pound	\$4.84	\$4.84
Water Reactive	pound	\$2.45	\$2.45
PCB Capacitors/Ballasts	pound	\$1.67	\$1.67
Non-PCB Capacitors/Ballasts	pound	\$0.80	\$0.80
Straight Fluorescent Lights	each	\$0.34	\$0.34
Compact / U-tube / Circular Fluorescent	Each	\$0.55	\$0.55
HID / Mercury / Metal Halide	Each	\$1.52	\$1.52
Broken Fluorescent Lights	pound	\$1.75	\$1.75
Flares	pound	\$2.58	\$2.58
Cooking Oil	gallon	\$1.62	\$1.62

Justification: These fees are paid by City residents when they bring household hazardous waste to the Sacramento Recycling and Transfer Station and cover the cost of disposal or landfill diversion using specific processes

mandated by the State of California to prevent damage to the environment. The fees are new to the fee and charge report and will remain unchanged from their current FY2012/13 amounts.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under exception 2, a fee for government services. Each fee recoups the actual cost of and labor related to providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving this service.

HUMAN RESOURCES DEPARTMENT

Risk Management – Risk Fund (Fund 6502)

Fee Name: **Driver Safety Training I/II – Public Defensive Driver Training**
Current Fees: \$200/day/student level I
Proposed Fees: \$200/day/student level I, \$400/day level II. This adds a new fee for a level II class.
Justification: The driver safety training program is critical to managing the City's exposure to liability from vehicle accidents and maintaining regulatory compliance. Cost recovery, from providing training to external participants, offsets expenses for training City employees. The level two class provides more individual instruction and driving time. No fee waivers are provided and costs are allocated equitably to those receiving training.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government service. The level II fee recoups 100% of variable cost for fleet, fuel and vehicle maintenance or 91% of the Department's total cost of administering this training program. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: **Driver Safety Training – Fleet & Fuel Only**
Current Fees: \$10.00/hour
Proposed Fees: \$11.21/hour
Justification: This fee provides flexibility for customers to fund the cost of fleet, fuel and vehicle maintenance separately from the cost of instruction when classes such as law enforcement academies are provided on a breakeven basis due to CA P.O.S.T restrictions on tuition. A surcharge may be applied in order to provide stable cost recovery by compensating for escalating fuel prices.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government service. The fee of \$11.21/student hour recoups 100% of the Department's actual cost for driver training instructors. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Driver Safety Training – Instruction Only
Current Fees: \$35/hour/annuitant instructor
Proposed Fees: There is no change to current fees.
Justification: This fee provides flexibility for customers to fund the cost of instruction separately from the cost of fleet, fuel and vehicle maintenance when classes such as law enforcement academies are provided on a breakeven basis due to CA P.O.S.T restrictions on tuition.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government service. The fee of \$35/hour recoups 100% of the Department’s actual cost for driver training instructors. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Training Classes – all except driver training
Current Fee: \$100/student/half day with instructor to student ratio of 1:10 or greater
\$200/student/full day with instructor to student ratio of 1:10 or greater
\$175/student/half day with instructor to student ratio of less than 1:10
\$350/student/full day with instructor to student ratio less than 1:10
Additional pro rata charges may be applied to recover cost of contract instructors, rental of specialized equipment or insurance for high risk activities.
Proposed Fees: There is no change to current fees.
Justification: Training program cost recovery, from providing training to external participants, offsets City expenses to maintain regulatory compliance and other types of employee training. No fee waivers are provided and costs are allocated equitably to those receiving training.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government service. These fees do not recoup 100% of the Department’s actual cost for training but do provide a means to offset City costs by offering extra seats to external participants. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Instructor – all classes except driver training

Current Fee: \$0

Proposed Fee: \$500/half day for City instructor to present training to another agency
\$1,000/full day for City instructor to present training to another agency
Additional pro rata charges may be applied to recover cost of specialized equipment or insurance for high risk activities.

Justification: Training program cost recovery, from providing training to external participants, offsets City expenses to maintain regulatory compliance and other types of employee training. No fee waivers are provided and costs are allocated equitably to those receiving training.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government service. These fees are based on an average of salary ranges for employees likely to provide instruction. Fees are designed to maximize cost recovery but may not recoup 100% of the City's cost. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

PARKS AND RECREATION

Parks and Recreation – General Fund (Fund 1001)

Fee Name: Park Planning and Development Services - Appraisal Coordination Fee

Current Fee: \$0

Proposed Fee: \$1,200

Justification: City Code Section 16.64.050 gives residential land subdividers the option to have an independent appraisal prepared to determine the fair market value of the land to be subdivided for the purpose of determining a parkland dedication in lieu fee. This fee is to recover the cost of service associated with coordinating preparation and review of the appraisal.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fee recoups 100% of the Department's actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Recreation Swim – Pool Entry Fees

Current Fee: \$1 up to age 17; \$2 age 18 and up

Proposed Fee: \$2 up to age 17; \$4 age 18 and up

Fee Name: Recreation Swim – Pool Entry Passes

Current Fee: \$9 – \$50 depending on age and number of visits allowed by the pass

Proposed Fee: \$18 - \$100 depending on age and number of visits allowed by the pass

On May 2, 2013, the Parks and Recreation Commission unanimously supported the proposed fee increases for recreation swimming pool entry fees and passes.

Justification: City of Sacramento admission fees remain the lowest in the region. Last summer, the YMCA charged twice the City's current fee at Southside Pool and did not experience a notable drop in attendance. It is anticipated the YMCA will operate up to three City swimming pools this summer at the higher rate in order to recoup more operating costs. In order to bring all pool fees to the same level across the City and provide for further restoration of services, staff recommends that fee increases for all City-operated pools be equalized.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 4 – Use of City property which is a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property. The fee recoups less than 5% of the Department's actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Special Recreation Facilities: Community Center Computer Labs and Weight Room Use

Current Fee: \$3 - \$10 per month

Proposed Fee: \$0 - \$15 per month

On May 2, 2013, the Parks and Recreation Commission unanimously supported the proposed fee adjustments to the monthly use fee range for Community Center computer labs and weight rooms.

Justification: At centers with higher staffing levels customers are charged a monthly fee for use of the weight room and computer labs (list the centers as below). Users pay a monthly fee of up to \$15 and receive various personalized attention especially in the weight room (assistance with spotting, how to use the equipment, etc.). At centers where operations have been reduced (Oak Park, Sim, Mims/Hagginwood) there may only be a single building monitor at the facility. Instead of closing those services down, the City opted to leave them open without a monthly cost but there are no additional services provided.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 4 – Use of City property which is a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property. The fee recoups less than 40% of the Department's actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

POLICE DEPARTMENT

Police Department – General Fund (Fund 1001)

Fee Name: Alarm Appeal Fee

Current Fee: \$0

Proposed Fee: \$25 In Person; \$0 Via Telephone

Justification: This fee is to recover the cost of personnel, equipment, supplies, and administrative costs incurred by the City associated with administering the Alarm Systems Ordinance (Chapter 8.36; Ordinance 2012-023). Fee applies to: Alarm Company Permit Revocation/Denial, Alarm User Permit Revocation/Denial, and Alarm User False Alarm Fine. This fee is refundable if the revocation, denial or fine is overturned.

Proposition 26: This fee is not a tax under Proposition 26, as it falls under Exception 2. It is a fee imposed for a specific government service or product that is provided directly to the payor, and it does not exceed the reasonable costs to the City of providing the service or product to the payor.

Fee Name: Alarm Late Charges/Fees

Current Fee: \$0

Proposed Fee: \$25

Justification: This fee is to recover the cost of personnel, equipment, supplies, and administrative costs incurred by the city associated with administering the Alarm Systems Ordinance (Chapter 8.36; Ordinance 2012-023). Fee applies to: Alarm User Permit Renewal Application, Alarm Company Permit Renewal Application, False Alarm Late Fee – Invoices 30 days past due, False Alarm Late Fee – Invoices 60 days past due. This fee is appealable.

Proposition 26: This charge/fee is not a tax under Proposition 26, as it falls under Exception 2. It is a charge/fee imposed for a specific government service or product that is provided directly to the payor, and it does not exceed the reasonable costs to the City of providing the service or product to the payor.

UTILITIES DEPARTMENT

UTILITIES – WATER FUND

Fee Name: Water Service Discontinuance – Shut Off
Current Fee: \$0
Proposed Fee: \$105
Justification: This fee is to recover the full cost of service associated with water service shut off following discontinuance of service including the cost for posting and mailing discontinuance notices, the administrative costs associated with this activity, and turning off water service following water service discontinuance. Together with the fee for “Water Service Discontinuance – Restoration,” below, this fee replaces the “Restoration of Water Service Following Discontinuance” fee.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fees recoup 100% of the Department’s actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Water Service Discontinuance – Restoration
Current Fee: \$0
Proposed Fee: \$65
Justification: This fee is to recover the full cost of service associated with the administrative costs of this activity and water service restoration following water service discontinuance. Together with the fee for “Water Service Discontinuance – Shut Off,” above, this fee replaces the “Restoration of Water Service Following Discontinuance” fee.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fees recoup 100% of the Department’s actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Restoration of Water Service Following Discontinuance
Current Fee: \$114
Proposed Fee: Delete Fee
Justification: This fee included costs for water shut off and restoration. Fee is deleted because it no longer represents current service delivery costs and is being replaced by two separate fees proposed above.

Proposition 26: N/A - this fee is being deleted.

Fee Name: Temporary Water Service Fee (new residential construction)
Current Fee: \$53.55 per lot
Proposed Fee: \$124 per lot
Justification: This fee is to recover cost of service associated with providing water to parcels in new residential construction. City Code Section 13.04.210 mandates that temporary water service shall be provided through a meter, at current city charges, except for temporary water service for new residential construction, that shall be provided upon payment of a temporary water service fee for each residential lot equal to three times the city's monthly rate for water service to a six-nine room single-family residence. The current fee does not comply with the City Code and is incorrect because it has not been adjusted as the City's monthly rate for water service has been increased. This fee proposal adjusts the current fee for this service to comply with City Code Section 13.04.210.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fee recoups 100% of the Department's actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Water Service Relocation
Current Fee: \$0
Proposed Fee: \$3,586
Justification: This fee is to recover the cost of service for water service abandonment and water tap installation associated with the relocation of a landlocked water service that runs through multiple parcels.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fee recoups 100% of the Department's actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

Fee Name: Water Service Kill Tap

Description:	Tap Size:	Current Fee:	Proposed Fee:
	¾-2"	\$0	\$174
	3-4"	\$0	\$790
	6-12"	\$0	\$1,088

Justification: This fee is to recover cost of service associated with a water service disconnection as a result of a demolition that includes plumbing removal.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fees recoup 100% of the Department's actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

UTILITIES – WASTEWATER FUND

Fee Name:	Ground Water Discharge Capacity Analysis Fee	
Current Fee:	Determined on an agreement-by-agreement basis	
Proposed Fee:	Discharge Type:	Proposed Fee:
	Less than 7 days	\$567
	More than 7 and less than 30 days	\$1,174
	More than 30 days	\$4,115
	Renewal (all types)	\$502

Justification: City Code Section 13.08.110 allows the Director of Utilities to approve a request to discharge groundwater into the City sewer system, upon execution of an agreement specifying the terms and conditions that apply to the discharger and the discharge, and subject to the payment of any applicable charges and such other requirements as may be imposed by the Director or any other public agency. Currently the Department of Utilities utilizes a standard form agreement to authorize groundwater discharges, which includes payment of a fee for the Department’s ground water discharge capacity analysis determined on an agreement-by-agreement basis. The proposed fee would standardize the amount of this fee based on the duration of the discharge, since the effort and cost required to perform the analysis are directly related to the duration of the discharge.

Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 2, a fee for government services. The fees recoup 100% of the Department’s actual cost of providing the service. No fee waivers are provided, and costs are allocated equally to anyone receiving the service.

UTILITIES – DRAINAGE FUND

Fee Name: Storm Drainage Service Rates – Airports
Current Fee: Storm drainage service rate schedule established per City Council Resolution No. 2010-265
Proposed Fee: Amend the rate schedule adopted by City Council Resolution No. 2010-265, to bill airports for storm drainage service based on impervious surface area, the same as cemeteries and parks. The revision to charge airports for storm drainage service based on impervious area, instead of based on gross surface area, is the only change being made to the storm drainage service rate schedule. The rate schedule is amended as follows, to take effect on July 1, 2013:

**STORM DRAINAGE SERVICE RATES – RATE MONTHLY
RESIDENTIAL**

Single-family residence:	1-3 rooms	7.53
	4-5 rooms	9.58
	6-7 rooms	11.31
	8-9 rooms	13.38
	10-15 rooms	15.25
	over 15, each additional room	1.19

Multiple-family residence: Each dwelling unit charged the same as a single-family residence

II. STORM DRAINAGE SERVICE RATES – MONTHLY NON-RESIDENTIAL

Non-residential, excluding cemeteries, City Parks, and airports:	
Each sq. ft. of gross surface area	0.001928
Cemeteries, City Parks, and airports:	
Each sq. ft. of impervious surface area	0.001928
Minimum Rate:	8.39

Where non-residential property contains common facilities, e.g., a parking lot, the common facilities will be treated as one property and the owner shall be liable for payment of fees for the common facilities, notwithstanding the fact that other fees charged to the property may be charged to the tenants or owners of divided interests. Common areas in planned unit developments or condominium developments shall be treated as commercial property for the purposes of this rate schedule.

Justification: The City of Sacramento’s storm drainage service rate schedule generally charges for non-residential storm drainage service based on the gross surface area of the non-residential parcel receiving storm drainage service. However, the City’s storm drainage service rate schedule does not charge cemeteries or parks for storm drainage service based on the gross surface area of the cemetery or park, but, instead, charges

cemeteries and parks based on the impervious surface area of the cemetery or park. The City's rate schedule treats cemeteries and parks differently because the majority of the surface area of cemeteries and parks is pervious surface area that does not generate surface runoff of storm drainage in the same manner as impervious surface area. Similar to cemeteries and parks, the majority of the surface area of the only general aviation airport located within city limits is pervious surface area that does not generate surface runoff of storm drainage in the same manner as impervious surface area. For this reason, airports also should be charged for storm drainage service based on impervious area rather than gross surface area.

Props 26 & 218: The City's storm drainage service rates are not a tax under Proposition 26, as they fall under Exception 7, property-related fees imposed in accordance with the provisions of Article XIII D of the California Constitution (Proposition 218). Proposition 218 mandates specified notice, protest, public hearing, and voter approval requirements prior to increasing an existing storm drainage charge or imposing a new storm drainage charge. These requirements do not apply to a revision of the City's existing rate schedule for non-residential storm drainage service to charge airports for storm drainage service based on impervious area, the same as parks and cemeteries, because this results in a reduced storm drainage charge for airports, and is not imposing a new charge or increasing an existing charge.