

RESOLUTION NO. 2018 – _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE,
CALIFORNIA, ADOPTING A CITY-WIDE COMPREHENSIVE USER FEE STUDY,
ADOPTING A COMPREHENSIVE FEE SCHEDULE ESTABLISHING AND
AMENDING CERTAIN SERVICES RELATED FEES FOR CITY SERVICES,
ADOPTING THE COST ALLOCATION PLAN**

Whereas, it is the intent of the City Council (Council) to require the ascertainment and recovery of costs reasonably borne from fees and charges levied therefor in providing the regulation, products or services; and,

Whereas, the City of Lake Elsinore (City) Municipal Code Section 3.40.030 defines the costs reasonably borne as:

- (a) All applicable direct costs including, but not limited to, salaries, wages, overtime, employee fringe benefits, services and supplies, maintenance and operation expenses, contracted services, special supplies, and any other direct expense incurred.
- (b) All applicable indirect costs including, but not restricted to, building maintenance and operations, equipment maintenance and operations, communications expenses, computer costs, printing and reproduction, and like expenses when distributed on an accounted and documented rational proration system.
- (c) Fixed asset recovery expenses, consisting of depreciation of fixed assets, and additional fixed asset expense recovery charges calculated on the current estimated cost of replacement, divided by the approximate life expectancy of the fixed asset. A further additional charge to make up the difference between book value depreciation not previously recovered and reserved in cash and the full cost of replacement, which also shall be calculated and considered a cost so as to recover such unrecovered costs between book value and cost of replacement over the remaining life of the asset.
- (d) General overhead, expressed as a percentage, distributing and charging the expenses of the Council, City Manager, Finance Department, City Clerk, City Treasurer, City Attorney's Office, Community Promotion, Personnel Office, and all other staff and support service provided to the entire City organization. Overhead shall be prorated between tax-financed services and fee-financed services based on said percentage so that each of the taxes, fees and charges shall proportionately defray such overhead costs.
- (e) Departmental overhead, expressed as a percentage, distributing and charging the cost of each department head and his or her supporting expenses as enumerated in subsections (a), (b), and (c) of this section.
- (f) Debt service costs, consisting of repayment of principal, payment of interest, trustee fees and administrative expenses for all applicable bond, certificate, or securities issues or loans. Any required coverage factors of added reserves beyond basic debt service costs also shall be considered a cost if required by covenant within any securities ordinance, resolution, indenture or general law applicable to the City. [Ord. 790 § 3, 1987. Code 1987 § 3.32.030]; and,

Whereas, the Council has conducted an extensive analysis of its services, the costs reasonably borne by the City in provided those services, the beneficiaries of those services, and the revenues produced by those paying fees and charges for special services; and,

- (a) The Council has determined that City staff provides many types of services (Services) involving requests by City customers (Applicants);

- (b) The City currently imposes service fees (Service Fees) upon Applicants to recover the costs of staff time, copying costs, and other expenses related to providing these Services
- (c) Current user fees charged for the City's Services do not adequately recoup the City's costs of providing certain Services and thus, a significant amount of these costs are currently paid out of the City's general fund and, therefore, borne by the general public
- (d) The Council finds that providing these services is of special benefit to Applicants both separate and apart from the general benefit to the public; and therefore, in the interests of fairness to the general public, the City desires to better recover the costs of providing these Services from Applicants who have sought the City's Services by revising its schedule of City-Wide User Fees
- (e) The proposed user fees are initially based upon the information contained in a document by City staff and Consultant (Consultant) entitled "City of Lake Elsinore Comprehensive User Fee Study Report" (Fee Study), dated December 12, 2017, and updated by staff to reflect current costs of the City to provide the Services
- (f) Based upon the Fee Study and the updated information, the City (i) identifies the purpose of the proposed fees, (ii) identifies the use to which the fees will be put, (iii) demonstrates a reasonable relationship between the fees' use and the types of projects on which the fees are imposed, and (iv) demonstrates a reasonable relationship between the amount of the fees and the cost of the City's services attributable to the applications on which the fees are imposed
- (g) Pursuant to state law, the City may impose service fees services.
- (h) Pursuant to Government Code Section 66000, *et seq.*, the City is empowered to impose User Fees covering up to 100 percent of the actual costs of providing Services to Applicants
- (i) The City desires to adjust certain fees up to the actual costs incurred by the City in providing these Services
- (j) Section 3.40.030 of the Lake Elsinore Municipal Code (LEMC) provides that the City may set fees to recoup costs reasonably borne by the City by means of adopting a resolution of the City Council, after compliance with the requirements of state law
- (k) Government Code Section 66014 *et al.* allows local agencies to charge fees for various activities as long as those fees do not exceed the estimated reasonable costs of provided the service for which the fee is intended
- (l) Pursuant to Government Code Sections 66014, 66017 and 66018 and the LEMC, the specific fees to be charged for certain regulations, services and products must be adopted by resolution, following notice and public hearing
- (m) Notice of public hearing has been given pursuant to Government Code Section 6062a, and written notice has been provided to interested parties who filed written requests for mailed notice of meetings on new or increased service charges
- (n) The Council conducted a duly noticed public hearing on March 13, 2018, at which time the public was invited to make oral and written presentations as part of the regularly scheduled meeting prior to the adoption of this Resolution
- (o) At least 15 days prior to the public hearing referenced above, the City made available for public inspection information required under Government Code Section 66006, *et seq.*
- (p) The City published notice of the public hearing as described above in accordance with

Government Code Sections 6062(a), 66014, 66016, 66017 and 66018 for the various service fees; and, the establishment and increase of service fees is statutorily and categorically exempt from the requirements of the California Environmental Quality Act because setting Service Fees and Development Fees fits within the statutory exemptions for local agency decisions involving rates, tolls or other charges pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the California Environmental Quality Act Guidelines this Resolution is not "an essential step culminating in action which may affect the environment"

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Council of the City adopted Ordinance No. 790 on April 14, 1987, providing for Fee and Service Charge Revenue/Cost Comparison System; and,

Section 2. The Council amended the user fees by Resolution No. 94-25a on May 10, 1994, to incorporate lake use fees.

Section 3. The Council amended the user fees by Resolution No. 95-8 on February 28, 1995, to incorporate fees for nuisance abatement.

Section 4. The Council modified the fee structure and amended the user fees by Resolution No. 97-6 on February 1, 1997, and repealing Resolution No. 94-25a.

Section 5. The Council amended the user fees for nuisance abatement by Resolution No. 97-14 on March 11, 1997, and repealing Resolution No. 95-8.

Section 6. The Council modified the fee structure and amended the user fees by Resolution No. 2000-52 on December 7, 2000, and repealing Resolution No. 97-6.

Section 7. The City Council amended the user fees by Resolution No. 2008-50 on May 8, 2008, to incorporate fees for registration of abandoned residential properties.

Section 8. Adoption of the Report and Methodology. The Council hereby approves "City of Lake Elsinore Comprehensive User Fee Study Report", dated December 12, 2017, and updated by staff to reflect current costs of the City to provide the Services and adopts the methodology for calculating and collecting the fees and charges established therein.

Section 9. Adoption of Fees and Charges. The Council hereby adopts the "City of Lake Elsinore City-Wide User Fee Schedule" as set forth in attached **Exhibit "A"** to this resolution and incorporated by this reference. Unless otherwise stated in the Fee Schedule, all Service Fees shall be paid to the City by the Applicant prior to the City's performance of the requested Services.

Section 10. Annual Increase. As recommended in the "City of Lake Elsinore City-Wide User Fee Schedule", user fees shall be subject to an automatic annual adjustment on July 1st of each year based on the Consumer Price Index (CPI) – All Urban Consumers – Los Angeles, Riverside, and Orange County – CA for the 12 month period prior to April 1st of the year in which the change will be effective.

Section 11. Repeal of Conflicting Resolutions or Executive Orders. It is the desire of the City Council that all fees and charges for services, programs or products be set forth in one document

for ease of reference. Accordingly, any and all provisions of prior Resolutions of the Council or Executive Orders establishing or modifying fees for the services, programs or products set forth in Exhibit "A," are hereby repealed and replaced as of the effective date of this Resolution in the manner set forth in Exhibit "A;" provided, however, that such repeal shall not excuse or affect the failure of any person or entity to pay any fee heretofore imposed upon such person or entity. The Council desires to clarify that in adopting this Resolution, it is taking action only on those fees for the services, programs or products set forth in Exhibit A, which have been modified, from prior Resolutions of the Council or Executive Orders. The remaining fees that have not been modified from prior Resolutions or Executive Orders shall remain in full force and effect and are hereby restated for convenience so that all fees are set forth in one document.

Section 12. Environmental Exemption. The adoption of this Resolution is exempt from the California Environmental Quality Act (CEQA, Public Resources Code Sections 21000 *et seq.*), because it approves and sets forth a procedure for determining fees for the purpose of meeting the operating expenses of City departments, as set forth in Public Resources Code Section 21080(b)(8)(A).

Section 13. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Resolution or any part hereof is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portion of this Resolution or any part thereof. The Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared invalid or unconstitutional.

Section 14. The City of Lake Elsinore Comprehensive User Fee Study and Cost Allocation Plan is hereby approved and adopted as attached per Exhibit A to this Resolution.

Section 15. A copy of the City of Lake Elsinore Comprehensive User Fee Study and Cost Allocation Plan hereby adopted and certified by the City Clerk shall be filed with the City Manager or a designated representative, and a further copy so certified shall be placed and shall remain on file in the Office of the City Clerk where it shall be available for inspection. Copies of the Comprehensive User Fee Study and Cost Allocation Plan shall be made available for the use of departments, offices and agencies of the City.

Section 16. This Resolution shall take effect 30 days upon its adoption.

Passed and Adopted on this 12th day of June 2018.

Natasha Johnson
Mayor

Attest:

Susan M. Domen, MMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Susan M. Domen, MMC, City Clerk of the City of Lake Elsinore, California, do hereby certify that Resolution No. 2018 - _____ was adopted by the City Council of the City of Lake Elsinore, California, at the Regular meeting of June 12, 2018, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Susan M. Domen, MMC
City Clerk