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# Cost of Living Adjustment to Fee Schedules

CITY COUNCIL

APRIL 16, 2019





# Background

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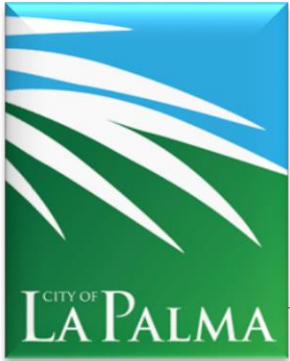
- **Government Code sections 66016 and 66018 provide that the City may adopt new development fees or “increase existing fees” after providing notice and holding a public hearing**
- **California law requires that a fee not exceed the estimated reasonable cost of providing a service or facility**



# Background

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- **March 2013 – City Council Adopted Updated User Fee Schedule and Direct Cost Calculation Model for all Fees except Building & Safety**
- **City Council applied COLAs to Fee Schedule for all fees unless fee established by statute**
  - **June 2015 – 1.5% COLA**
  - **April 2016 – 2.4% COLA**
  - **April 2017 – 2.7% COLA**
  - **May 2017 – 3.6% COLA**



# Background

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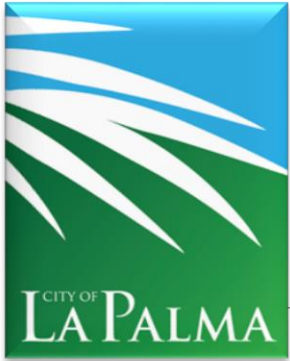
## March 2013 Fee Study – Building & Safety

- Reviewed 69 Building Dept Fees
- All but three (3) under-recovering the actual cost to provide the service
- City did not apply direct cost calculation model to Building & Safety Fees and kept at 2010 rates
- COLA adjustments applied beginning in 2015



# Background

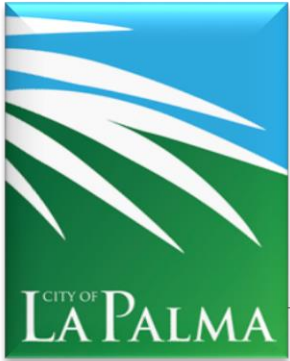
	2013 Fee Study			
Building & Safety Fee Type	2010 Fee	Full Cost	2013 Fee	19-20 Proposed
Permit Issuance - Building	23	25	23	25.87
Special Sign Permit	45	73	45	51.03
Plumbing Permit - Each Fixture	28	73	28	31.85
Water Heater & Vent	23	73	23	26.18



# Background

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- **The Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) for the Los Angeles/Riverside/Orange County Area for February 2018 – February 2019 is 2.5%**



## Recommended Action

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- **A Resolution of the City Council of the City of La Palma Amending and Establishing Certain Development Fees and Service Charges**
- **A Resolution of the City Council of the City of La Palma Establishing an Updated User Fee Schedule for Various Municipal Activities and Services**