



CITY OF BRAWLEY

User and Regulatory Fee Study

November 18, 2025 | City Council Meeting



MEETING AGENDA

- Background
- Fundamentals and Terminology
- Study Findings and Recommendations
- Next Steps

Background



BACKGROUND

- Communities generally use tax revenues to fund services that provide general (community-wide) benefit
 - Public works
 - Public safety
 - Park maintenance
- Communities generally use fees and charges (direct recovery) to fund services that provide direct benefit
 - Plan Review
 - Permitting
 - Inspection

TYPES OF FEES EXAMINED

- This update DOES NOT examine taxes, assessments, utility rates, or development impact fees

- **Building Fees** - construction permit processing, plan check, and inspection
- **Engineering and Public Works Fees** - engineering review of development-related grading and public improvements; review of temporary encroachments in the City right-of-way
- **Planning Fees** – Zoning and entitlement review and use permitting
- **Fire Fees** – Review of construction and operations for compliance with Fire Code
- **Non-Development Related Fees** - administrative fees, film permit fees, police fees, animal control fees, etc.



Fundamentals and Terminology



MUNICIPAL FEES

- Why do Cities Review Fees and Charge Fees for Services?

- Legal requirements
- Encourage direct recovery of costs incurred to serve private interests/benefit or respond to individual actions
- Provide opportunity for relief to General Fund or other Funds where costs are incurred
- Enable continuity of service levels by improving cost recovery levels

FEES ARE APPROVED BY THE CITY COUNCIL

The City Council has authority to Directly Approve User and Regulatory Fees and Increases to Fees

- Fees proposed are not taxes, as defined by Article 13C of the California State Constitution
- Fees are set in accordance with parameters set by Article 13C and by Section 66014 of the California Government Code:
 - Costs allocated to the payer should bear a fair or reasonable relationship to the payer's burdens on or benefits received from the governmental activity
 - Fees should not exceed the reasonable cost of providing the service for which the fee is charged

TERMINOLOGY

These terms of art have specific meaning across California municipalities and within the City

- Full Cost of Service
- Cost Recovery
- Subsidy

COST OF SERVICE

- The cost of service sets the maximum limit of a cost-based fee. It includes:
 - Direct program costs for labor, services, and supplies
 - Departmental administration
 - Citywide administration and central support services

**Hourly
Rate for
Personnel
Providing
Services**



**Fully Burdened
Hourly Rates:**

- Direct and indirect labor costs
- Services and supplies
- Agency overhead

X

**Time
Required
to Perform
the
Service**



**Estimated or
Known Times for
Providing Services**

=

**Cost of
Service**



**Maximum Fee
Amount**

COST RECOVERY POLICY FRAMEWORK

Cost recovery policy reflects **local values** regarding the presumed beneficiaries for each program area, ranging from **community benefit to individual benefit**

Exclusively individual benefit

Considerable individual benefit

Balanced individual and community benefit

Considerable community benefit

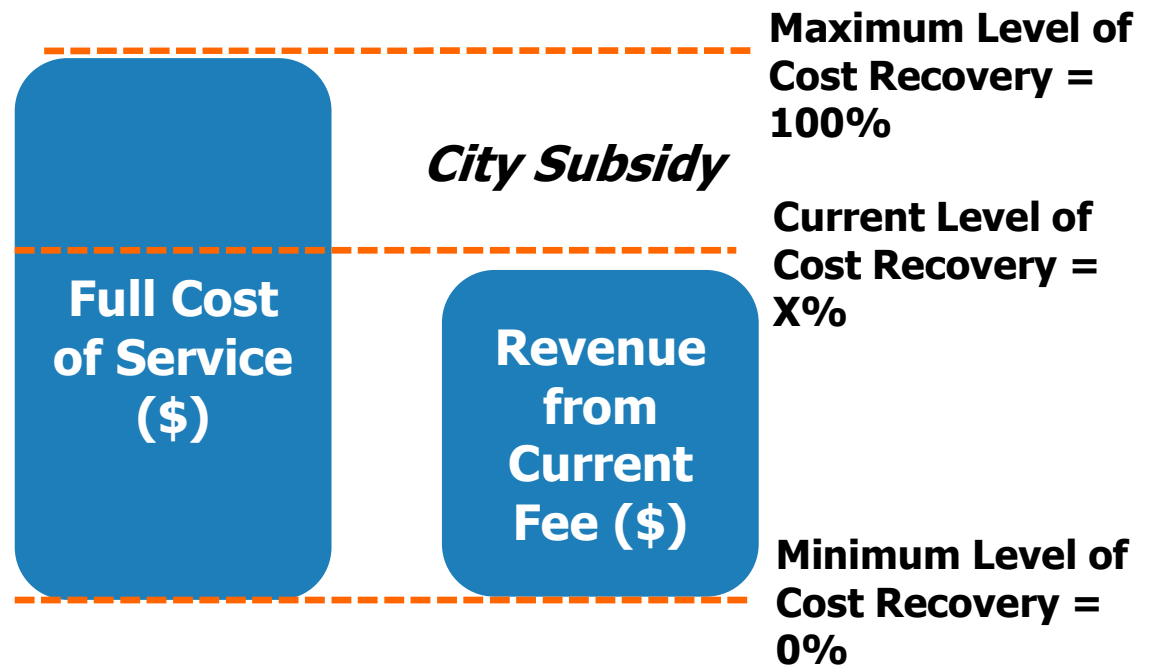
Mostly community benefit

Entirely community-wide benefit

Cost Recovery Targeted

SUBSIDY

- The amount of a program's full cost of service that is supported by other City revenue sources





Study Findings and Recommendations

GUIDING PRINCIPLES AND CONSIDERATIONS

- Compliance with law (CA Constitution and Government Code)
- Alignment with Measure J supported initiatives such as:
 - Maintaining Essential Services (Public Safety)
 - Promoting Economic Development (Downtown Revitalization)
- Recommended fees include a “Preferred Use”, incentivized rate, for projects that support downtown and economic development efforts

DEVELOPMENT RELATED FEES

- Recalibrate fees to improve cost recovery
- Restructure fees to enhance correlation between services provided and fees collected.
- Less than full cost recovery is targeted for preferred use projects
- Use multi-year phase-in approach to enhance cost recovery for land development engineering projects

DEVELOPMENT RELATED FEES

- Fees are regulatory
- High level of direct benefit resulting from construction activities including enjoyment of property enhancements and increased property values
- Avoid having other Brawley residents and businesses subsidize private construction activities for non-preferred use activities

DEVELOPMENT RELATED FEES RECOMMENDATIONS FOR DISCOUNTED FEES

- Discounted fees recommended for:
 - Preferred Use Projects
 - Review of appeals to Planning Commission or City Council
 - Permit for Residential HVAC Change-Out: 50% cost recovery (i.e., 50% City subsidy)
 - Permit for Residential Water Heater Change-Out: 50% cost recovery (i.e., 50% City subsidy)

BUILDING FEES – RECOMMENDATIONS FOR DISCOUNTED FEES

- Discounted fees recommended for Construction to Accommodate Disabilities:
 - Improvements to the home of a person with a qualifying disability: 75% cost recovery (i.e., 25% City subsidy)
 - “Qualifying disability” means a physical or mental disability as defined in subdivisions (j) and (m) of Section 12926 of the Government Code.
 - Improvements to the home of a veteran with a qualifying disability to accommodate that disability: 75% cost recovery (i.e., 25% City subsidy)
 - “Qualifying disability” means a disability that is recognized as service connected by the United States Department of Veterans Affairs.

BUILDING FEES – RECOMMENDATIONS FOR DISCOUNTED FEES

- Discounted fees recommended for Affordable Living Units
 - Permit fees for construction of affordable living units: 75% cost recovery (i.e., 25% City subsidy)
- For discounted permits: The difference between the full cost of service and the proposed fees for the discounted permits, do not result in an increase in fees paid by other projects (i.e., the City would subsidize a portion of these costs from the General Fund or other available resources).

ADMINISTRATIVE / NON-DEVELOPMENT FEES

- Finance / Clerk Administrative Fees
 - Fees adjusted to align to the City's cost of service and/or amounts authorized by the State of California
- Library Fees
 - No changes to library fees/rates. Library costs will continue to be primarily tax funded services.
- Airport Fees
 - No changes to airport fees/rates. Airport fees/rates are typically associated with rentals/leases of City property.

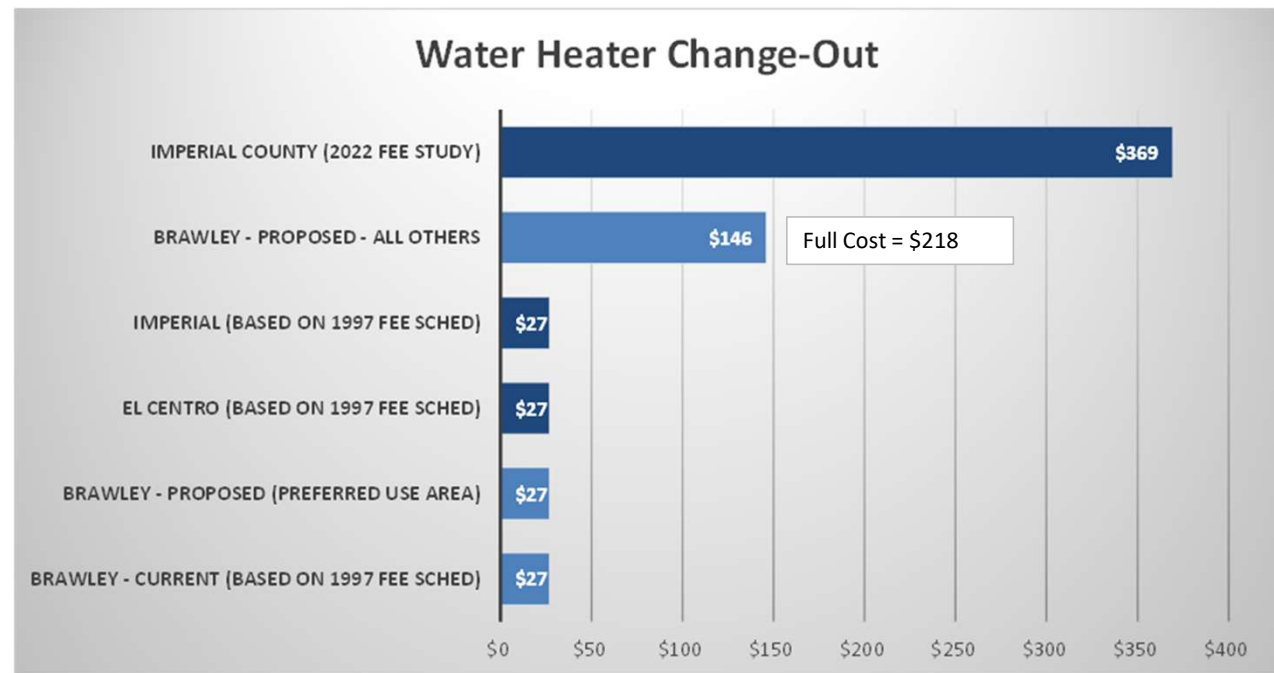
ADMINISTRATIVE / NON-DEVELOPMENT FEES

- Film Permit Fees
 - Add film permit fees that can be consistently applied based on production scale and time on location
- Recreation Fees
 - Minor adjustment to fees for received use of City facilities and program participation. Parks and recreation costs will continue to be primarily tax funded services.
- Police Fees
 - Adjust fees for specialized police services to enhance cost recovery while complying with State limits for certain fees

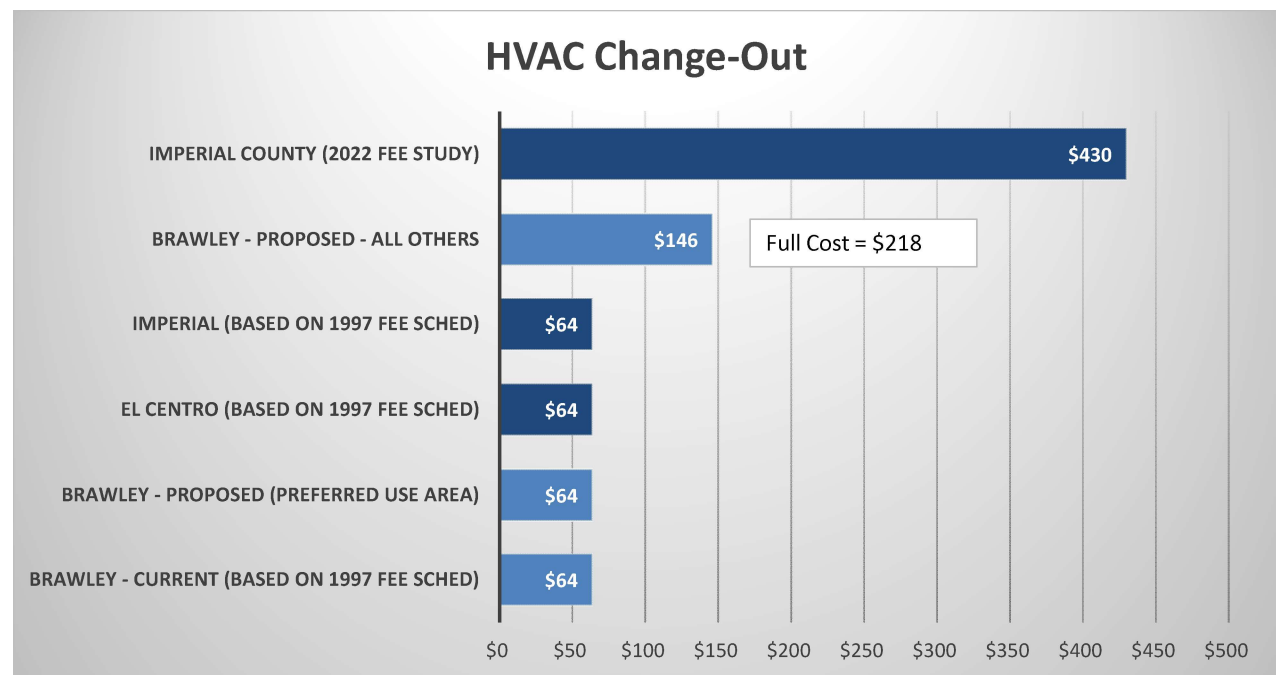
FEE ADJUSTMENTS IN BETWEEN STUDIES

- In future years, fees are proposed to be adjusted annually by the change in regional cost inflation

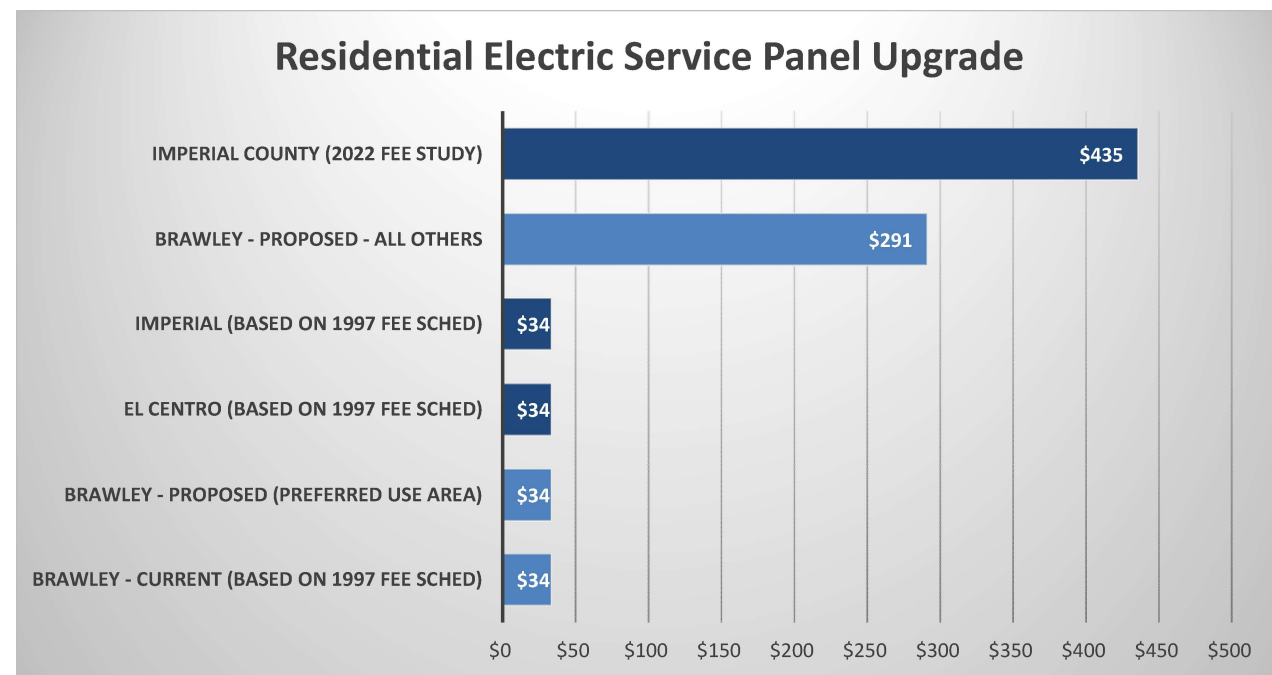
REGIONAL FEE COMPARISON



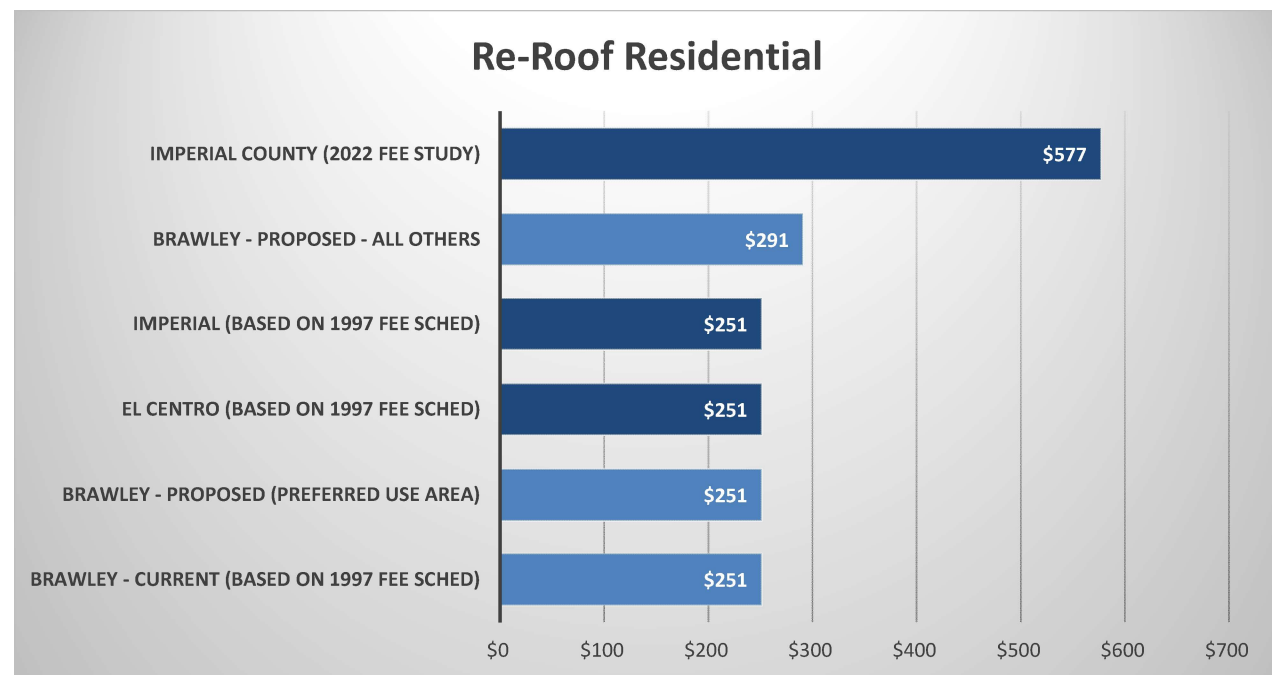
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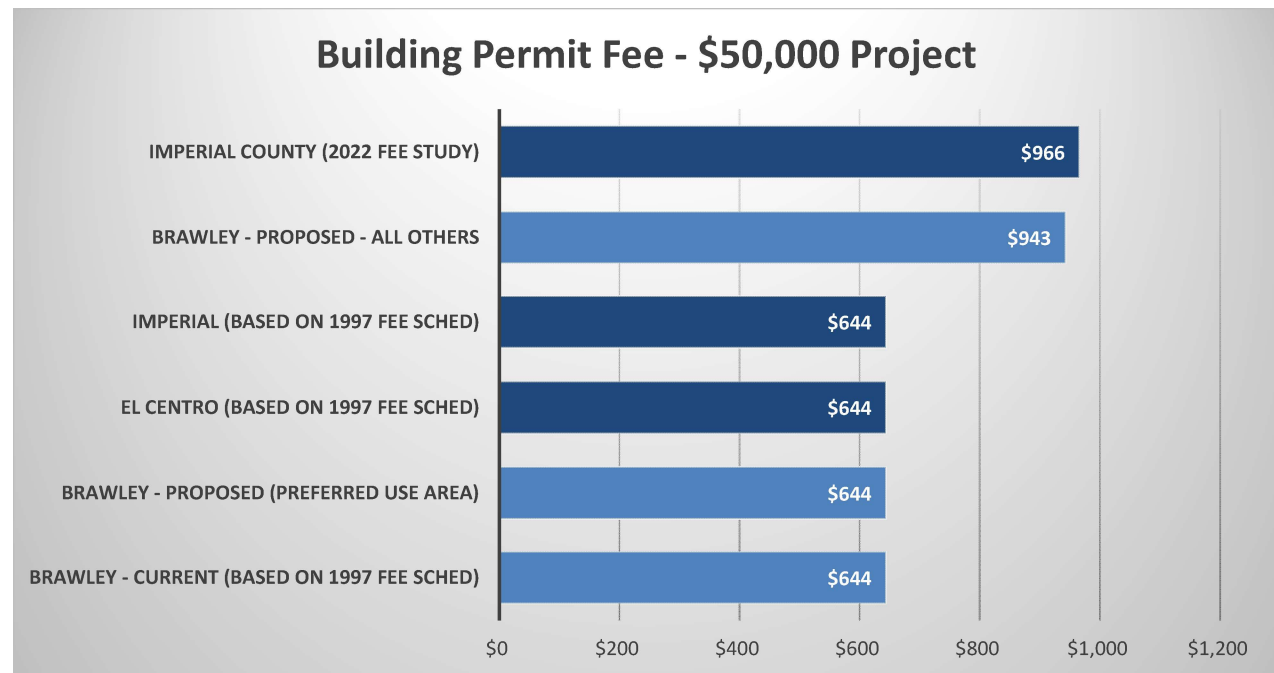
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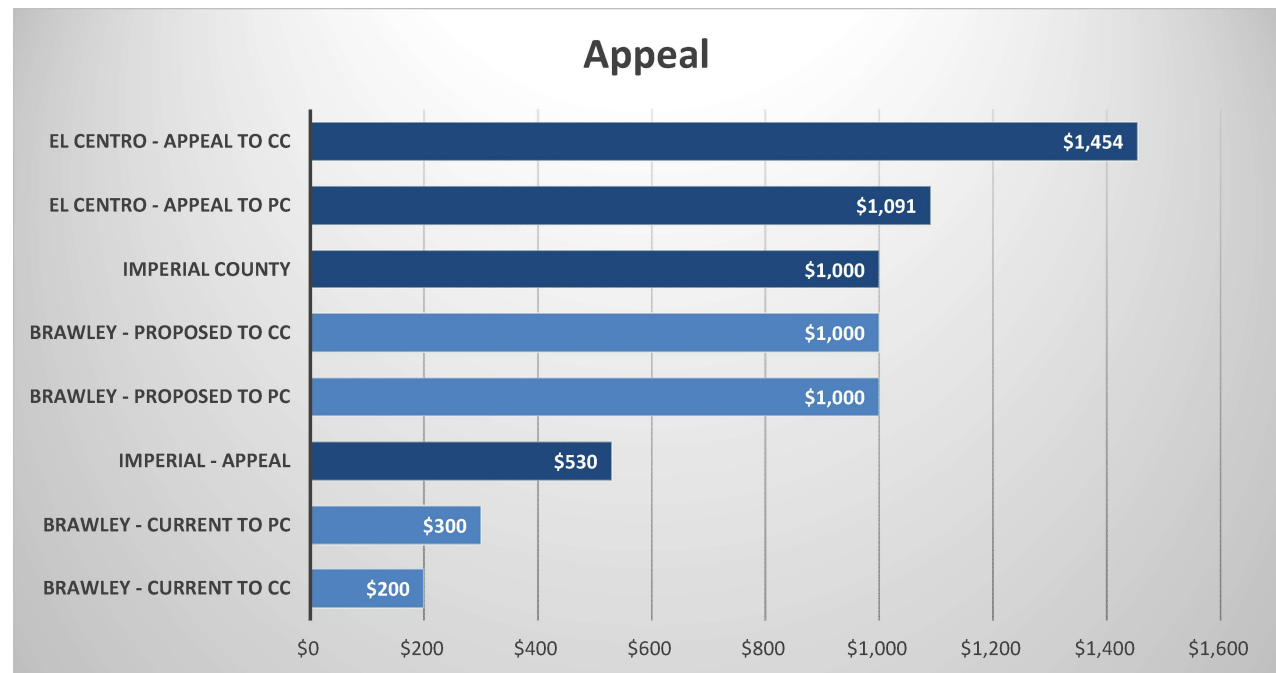
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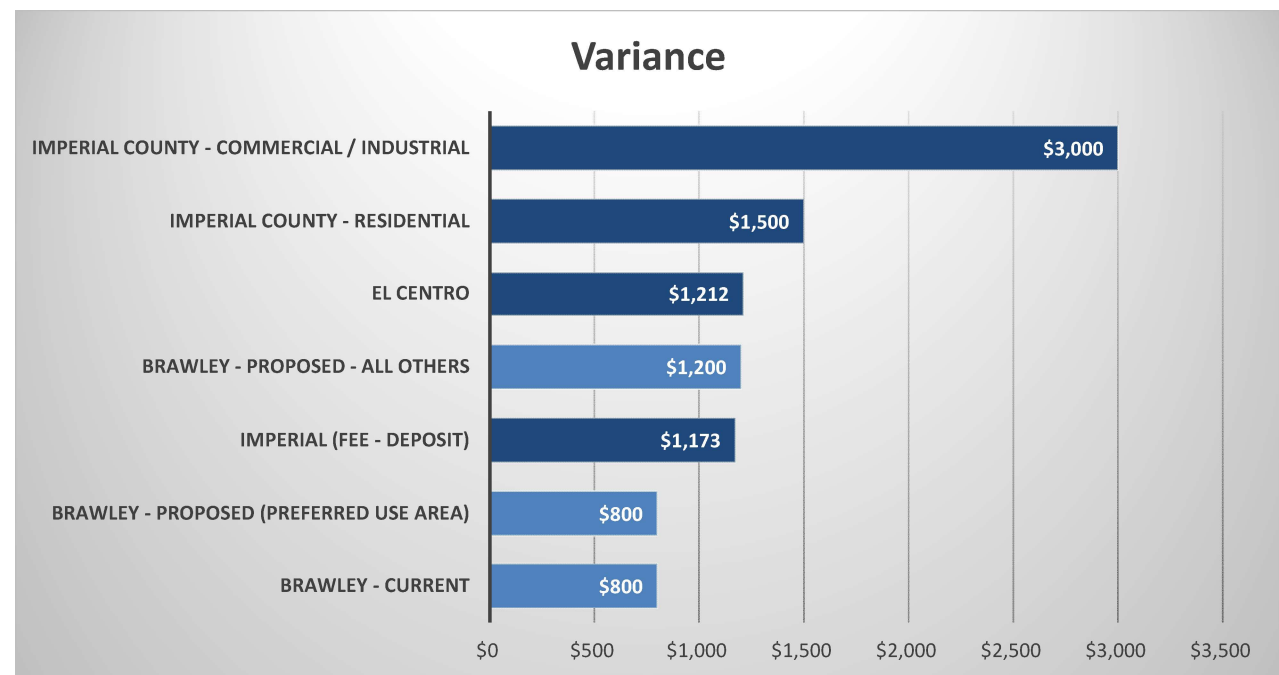
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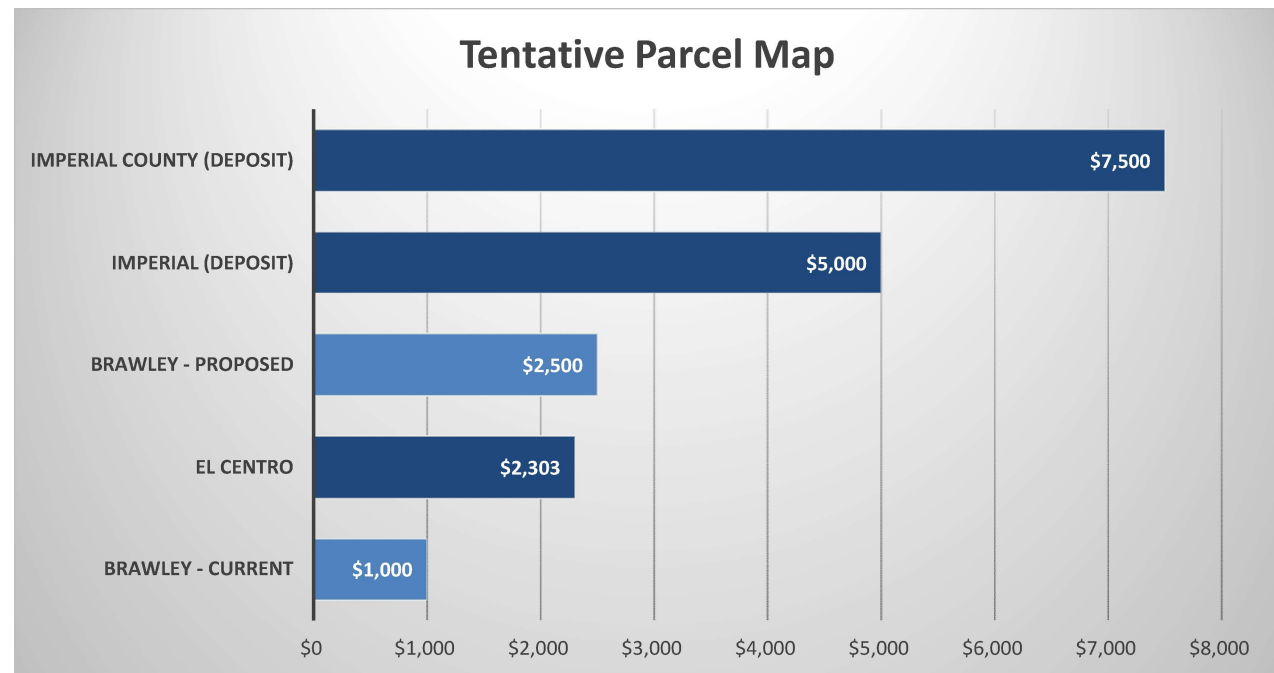
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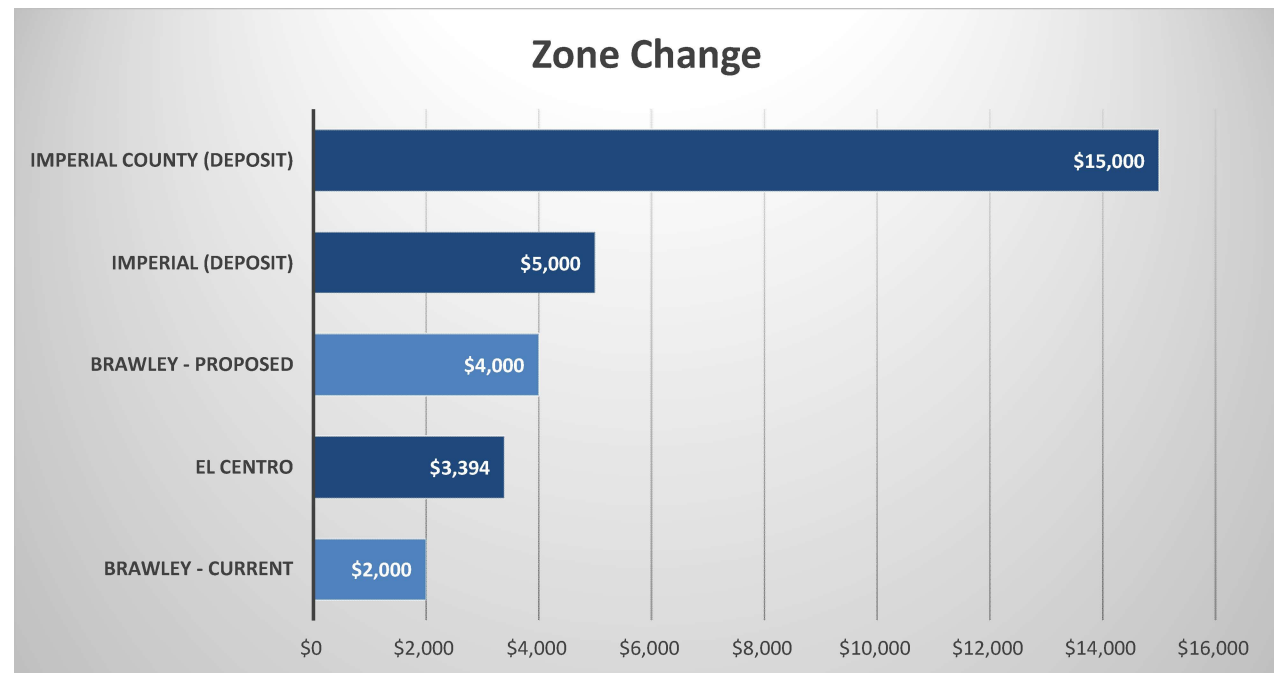
REGIONAL FEE COMPARISON



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REGIONAL FEE COMPARISON





Fiscal Impact of Proposed Changes



FISCAL IMPACT

Anticipated Fiscal Impact will be dependent on levels of preferred use and all other development activity within the City.

Consultant recommends fee implementation and revenue monitoring before adjusting FY 25/26 and future revenue projections.



Next Steps

clearsource
FINANCIAL CONSULTING

NEXT STEPS

Direct Staff to Schedule a Public Hearing
to Consider Proposed Fee Adjustments



Questions or Feedback

