




# TOWN OF PORTOLA VALLEY

## STAFF REPORT

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**TO:** Mayor and Members of the Town Council

**FROM:** Howard Young, Interim Town Manager  
Cindy Rodas, Finance Director 

**DATE:** April 26, 2023

**RE:** Adoption of a Resolution Approving a Revised Fee Schedule for the Town of Portola Valley's Administrative, Building, Public Works/Engineering and Planning Departments

### RECOMMENDATION

Staff recommends that the Town Council hold a public hearing to review proposed fee changes and adopt a resolution revising the Town's Master Fee Schedule to adjust all fees for Consumer Price Index (CPI) increases.

### BACKGROUND

In 2014, the Town Council authorized the annual increase of the fees included in the Master Fee Schedule to be adjusted annually on July 1 by the percentage increase or decrease in the CPI. Fees were not adjusted for CPI between 2015 and 2018. Since then, the Council has been adjusting the fees by CPI on an annual basis.

Typically, fees are increased by the CPI-U for the San Francisco-Oakland-Hayward area using the February 12 month index. For fiscal year 2022-23 the CPI calculation was adjusted to 5.2% per the U.S. Bureau of Labor and Statistics.

### DISCUSSION

#### CPI Increase

This year, the February 12-month index is 5.3%. The CPI adjustment has been applied across all fees listed in the fee schedule with the exception of recreation classes (instructor/Town split). Additionally, the following adjustments were made:

1. The CPI increase was also applied to the Planning hourly fee bringing this rate from \$221 to \$233 per hour.
2. Increase to the Town Attorney's planning entitlements/applicant deposit hourly rate from \$325 to \$375
3. The CPI increase was applied to facility rentals including the Community Hall/Kitchen, Activity Rooms, and fields as maintenance costs of these facilities continue to increase.

4. Additional language was included at the end of each department fee section for clarity as it relates to Supplemental Services, Deposit Accounts, and Calculating Hourly Rates for Staff, and Planning Entitlements.

Staff believes that this year's increase is reasonable and appropriate and will ensure that the Town's fees accommodate inflationary impacts.

The fee schedule will be implemented July 1, 2023.

### **Additional Fees for Review**

Staff is performing in-house nexus studies for two additional fees:

- General Plan Maintenance Fee
- Technology Fee

Both fees will be based on a percentage of the total cost of the project.

One final fee under development is a construction impact fee that would support additional code enforcement at construction sites, road repair on streets affected by construction, and garbage collection along the Town's right of way.

These fees have been previewed by the Town Council and are expected to be incorporated in the future final budget for FY 2023-24.

### **FISCAL IMPACT**

By approving the attached resolution to revise the Fee Schedule, the Town will recover appropriate funds for the services they provide. Fees will be increased by 5.3%, with a modest fund recovery for all departments.

### **ATTACHMENTS**

1. Resolution
2. Exhibit A – Revised Fee Schedule

**RESOLUTION NO. -2023**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF  
PORTOLA VALLEY APPROVING A REVISED FEE SCHEDULE  
FOR ITS ADMINISTRATIVE, BUILDING, PUBLIC  
WORKS/ENGINEERING  
AND PLANNING DEPARTMENTS**

**WHEREAS**, Municipal Code Section 18.34.040 [Fees for applications-Collection] of Chapter 18.34 [Administration] of Title 18 [Zoning] authorizes the Town Council to establish, by resolution, the amounts of fees for applications and permits under the Zoning Ordinance and may, from time to time modify the resolution; and

**WHEREAS**, Resolution 2619-2014 was adopted on May 14, 2014 and provided for a revision on an annual basis to the master fee schedule based on the increase in the Consumer Price Index; and

**WHEREAS**, Resolution 2619-2014 provides the fees and charges set forth in Exhibit A shall be adjusted annually on July 1<sup>st</sup> of every year by the percentage increase or decrease in the Consumer Price Index - All Items Index (San Francisco-Oakland-Hayward). The calculation will be based upon the index from February of the prior year to the index for February of the current year; and

**WHEREAS**, the proposed fees are not a tax pursuant to State of California Proposition 26; and

**WHEREAS**, on April 14, 2023, the Town Clerk published notices in a newspaper of local distribution concerning the Town Council's intention to hold a public hearing to consider adoption of a new fee schedule and all documentation supporting the proposed fee schedule was made available to the public, beginning on April 16, 2023.

**NOW, THEREFORE**, the Town Council of the Town of Portola Valley does RESOLVE as follows:

**Section 1.** The fees set forth in the attached fee schedule (Exhibit A) are hereby established pursuant to the Town of Portola Valley Municipal Code and shall become part of the Master Fee Schedule. These fees shall be paid to or collected by the Town for each of the applications, permits, extensions, renewals, services or other matters enumerated therein. No application shall be deemed filed or complete until all required fees have been paid in full to the Town.

**Section 2.** Upon the effective date of this resolution, Resolution 2902-2022 is hereby replaced, it being the intent of the Town Council that the fee schedule adopted by this resolution shall supersede all prior schedules pertaining to the same subject matter.

**Section 3.** Annual Adjustment. The CPI adjustment calculation this year was based upon the index from February of the prior year to the index for February of the current year, as the February Consumer Price Index was used for the CPI adjustment in April 2022.

**Section 4.** The fees adopted by this resolution shall become effective on July 1, 2023.

PASSED AND ADOPTED this 26<sup>th</sup> day of April, 2023.

By: \_\_\_\_\_  
Jeff Aalfs, Mayor

ATTEST:

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Corie Stocker, Town Clerk