STAFF REPORT

City Council
Meeting Date: **10/27/2026**
Staff Report Number: **26-178-CC**

Regular Business: **Consider and adopt a resolution to update the user fee cost recovery policy**

Recommendation

Staff recommends that the City Council adopt a resolution (Attachment A) updating the City's User Fee Cost Recovery Policy to reflect revised cost recovery categories and associated cost recovery targets and provide direction on potential, future fee adjustments.

Policy Issues

The City's User Fee Cost Recovery Policy establishes the framework for determining the appropriate level of cost recovery for fee-supported services. The policy guides the development and review of individual user fees by establishing cost recovery categories and targets based on the nature and benefit of each service. These targets inform fee calculations and, ultimately, the fees included in the City's Master Fee Schedule. Updating the Policy ensures that future fee recommendations remain consistent with the City Council's policy direction and current service delivery priorities.

Background

The City's User Fee Cost Recovery Policy (Attachment B), originally adopted in 2010 and last updated in 2022, provides a structured framework for setting and periodically updating fees based on clear, supportable criteria. The policy is built on prior efforts, including previous cost of services studies.

In March 2026, the City Council held a study session to review the results of the comprehensive cost of services study update that evaluated the current costs of providing City services and associated user fees (Attachment C). The completion of this study provided an opportunity to review and update the City's cost recovery framework to ensure that recovery categories and targets remain aligned with current service costs, community benefit considerations, and City Council priorities.

In April 2026, the City's master fee schedule was amended to incorporate fee adjustments resulting from the cost of services study (Attachment D).

Analysis

The proposed User Fee Cost Recovery Policy updates are intended to align the City's cost recovery approach with current service delivery costs and policy objectives, promote consistency across fee programs, and provide a clear framework for establishing and periodically updating user fees. As part of this approach, Gymnastics and Menlo Children Center fees were adjusted at the July 14 and Aug. 25 City Council meetings, respectively, to progressively align with the cost recovery levels outlined in the policy. In addition to these previously approved changes, staff are recommending the additional fee updates outlined below to better reflect current operations, service delivery, and program needs. A redline version of the User

Fee Cost Recovery Policy is included (Attachment E) for reference and highlights the proposed revisions. The revised User Fee Cost Recovery Policy would become effective upon adoption by the City Council. The updated framework will help guide future fee recommendations and updates to the City's Master Fee Schedule for City Council consideration.

Library and community services

As part of the 2026 review of the City's user fees and service classifications, staff recommend several updates to reflect current program operations, funding sources, and the level of general benefit provided to the community.

1. The Belle Haven School Age – Title 22 is proposed to move from the moderate to low-cost recovery category and be renamed the Belle Haven Youth Center to more accurately reflect the current program and services provided. The Belle Haven Community School designation is proposed for removal, as it no longer reflects a current City service or program.
2. Congregate nutrition is proposed to move from the moderate to low-cost recovery category and be renamed the senior nutrition program to provide a clearer and more accessible description of the service. The lower classification recognizes the program's community benefit and the City's role in supporting access to nutritious meals for older adults. The program currently accepts voluntary donations based on each recipient's ability to contribute and is therefore not included in the Master Fee Schedule. If mandatory fees are considered in the future, staff recommend adding the service to the fee schedule as part of that update.
3. Finally, tennis courts reservation fees are proposed to move from the moderate to high-cost recovery category. This change reflects the recreational nature of the service and the greater direct individual benefit received by users of the courts, supporting a higher level of cost recovery through user fees. If approved in the policy, this change will be incorporated into the fiscal year 2027–28 Master Fee Schedule update process.

Clerical updates

Staff recommend minor clerical and formatting updates throughout the User Fee Cost Recovery Policy. These updates include removing page numbers from the cost recovery tables referencing the Master Fee Schedule to improve administrative efficiency and simplify future revisions, as well as other minor formatting and clerical corrections that do not affect the substance of the policy or cost recovery classifications.

Heritage tree appeals

When adopting the Master Fee Schedule, the City Council established different fees for heritage tree removal appeals based on the type of appeal. To avoid creating a financial barrier for members of the public seeking to challenge the City's approval of a heritage tree removal permit, City Council set the appeal fee for community members at $200. In contrast, a permit applicant appealing the City's denial of a heritage tree removal permit is charged $1,494, reflecting the cost of processing the appeal. The City's User Fee Cost Recovery Policy classifies heritage tree appeals as a low-cost recovery service in public works section. City Council may wish to revisit the fee structure at a future meeting to consider aligning appeal fees while maintaining public access to the appeals process.

Building permit fee waiver and credit for electrification projects

Additionally, when adopting the Master Fee Schedule, the City Council approved continuation of a building permit fee waiver and credit for construction projects that include electrification. This permit fee waiver and credit was established in August 2022 and last discussed by City Council May 21, 2024 (Attachment E). Plan check and inspection fees are waived or credited when the project includes qualifying work such as replacing gas equipment with electric, upgrading electrical panels for full building electrification, and installing electric vehicle (EV) charging infrastructure in existing buildings. This supports the City's Climate Action Plan (CAP) goal of carbon neutrality by 2030 by creating a financial incentive for property owners

switching from gas to all-electric equipment. The City's User Fee Cost Recovery Policy (Attachment B) classifies building permits as a high-cost recovery service in the development review building and safety section, with a target of 70 to 100 percent. This program is a notable exception to that policy with the general fund absorbing the cost of reviewing and inspecting qualifying permits. The Environmental Quality Commission (EQC) is scheduled to discuss the program in January 2027, including how well it encourages electrification and what it costs the City. City Council may wish to include updates in the fiscal year 2027-28 Master Fee Schedule, informed by the EQC's recommendation, to consider whether to continue, modify, or sunset it while maintaining incentives for building electrification.

Impact on City Resources

Staff will use the updated User Fee Cost Recovery Policy as a framework when updating the City's Master Fee Schedule and establishing user fees for fiscal year 2027-28. The policy guides the level of cost recovery and, therefore, the level of General Fund subsidy required to provide the service. Implementation will be incorporated into existing staff work programs and is not expected to require significant additional City resources.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines Sections 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Resolution
B. Hyperlink – User Fee Cost Recovery: www.menlopark.gov/files/sharedassets/public/v/1/city-council/documents/cc-policies/cc-22-025-user-fee-cost-recovery-policy.pdf
C. Hyperlink – March 24 Staff Report #26-046-CC: www.menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2026-meetings/20260324/k2-20260324-cc-cost-of-services-study.pdf
D. Hyperlink – April 28 Staff Report #26-057-CC: www.menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2026-meetings/20260428/i1-20260428-cc-master-fee-schedule.pdf
E. Updated User Fee Cost Recovery – redlined
F. Hyperlink – May 21, 2024, Staff Report #24-092-CC: www.menlopark.gov/files/sharedassets/public/v/2/agendas-and-minutes/city-council/2024-meetings/agendas/20240521/i2-20240521-cc-electrication-fee-permit-waiver.pdf

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RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK TO AMEND THE USER FEE COST RECOVERY POLICY

WHEREAS, the City Council of the City of Menlo Park first adopted the User Fee Cost Recovery Policy in 2010 and subsequently amended the policy in 2022; and

WHEREAS, the updated User Fee Cost Recovery Policy incorporates the findings of the 2026 Cost of Services Study and the updated Cost Allocation Plan and provides guidance for establishing and evaluating appropriate cost recovery levels for City services; and

WHEREAS, the adoption of the updated User Fee Cost Recovery Policy does not amend, increase, decrease, add, or eliminate any fees or charges currently contained in the City's Master Fee Schedule.

The City Council of the City of Menlo Park makes the following findings:

1. User fee services are those performed by the City on behalf of a private citizen or group with the assumption that the costs of services benefiting individuals, and not society as a whole, should be borne by the individual receiving the benefit. However, in some circumstances, it is reasonable to set fees at a level that does not reflect the full cost of providing service but to subsidize the service.

NOW, THEREFORE, BE IT RESOLVED, that the City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore do hereby amend the User Fee Cost Recovery Policy is hereby as specified in Exhibit A.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the __ day of October, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of October, 2026.

_____

Judi A. Herren, City Clerk

Exhibit:

A. User Fee Cost Recovery Policy

USER FEE COST RECOVERY

City Council Policy #CC-26-025
Adopted October 27, 2026
Resolution No. XXXX

CITY OF MENLO PARK

Purpose

A clear User Fee Cost Recovery Policy will allow the City of Menlo Park to provide an ongoing, sound basis for setting fees that allows charges and fees to be periodically reviewed and updated based on predetermined, researched and supportable criteria that can be made available to the public.

Background

In 2005 the *Your City/Your Decision* community driven budget process provided community direction and initial information on approaches to cost recovery of services. The User Fee Cost Recovery Policy was last adopted in 2022, providing a values-based and data-driven framework for establishing and evaluating user fees and cost recovery levels.

In 2026, the City completed an updated Cost of Services Study in conjunction with the adoption of a new Cost Allocation Plan. The updated Cost Allocation Plan provides a standardized, data-driven methodology for allocating administrative and other overhead costs to programs and services, while the updated Cost of Services Study provides current information on the full cost of delivering City services. Together, these studies provide an updated basis for evaluating user fees and cost recovery and support the continued application of a values-based and data-driven approach to the City's User Fee Cost Recovery Policy.

Policy

The policy has three main components:

1. Provision for ongoing review
2. Process of establishing cost recovery levels
   - Factors to be Considered
3. Target Cost Recovery Levels
   - Social Services and Recreation Programs
   - Development Review Services
   - Public Works – Engineering Transportation, and Maintenance
   - Public Safety – Police Services
   - Library Services
   - Administrative Services

Provision for ongoing review

Fees will be reviewed at least annually in order to keep pace with changes in the cost of living and methods or levels of service delivery. In order to facilitate a fact-based approach to this review, a comprehensive analysis of the city's costs and fees should be made at least every five years. In the interim, fees will be adjusted by annual cost factors reflected in the appropriate program's operating budget.

Process of establishing service fee cost recovery levels

The City of Menlo Park provides services and infrastructure that contribute to quality-of-life for all Menlo Park residents. In so doing, the City strives to balance the resources and requirements of each area of the city in an equitable manner for all residents, in all neighborhoods of the City. The City of Menlo Park prioritizes social justice in decisions that affect residents' lives: the fair, just and equitable management of all institutions serving the public directly or by contract; the fair, just and equitable distribution of public services and implementation of public policy; and the commitment to promote fairness, justice, and equity in the formation of public policy.

The following factors will be considered when setting service fees and cost recovery levels

1. Community-wide vs. special benefit
   - The use of general purpose revenue is appropriate for community-wide services while user fees are appropriate for services that are of special benefit to individuals or groups. Full cost recovery is not always appropriate.
2. Service Recipient Versus Service Driver
   - Particularly for services associated with regulated activities (development review, code enforcement), from which the community primarily benefits, cost recovery from the "driver" of the need for the service (applicant, violator) is appropriate.
3. Consistency with City public policies and objectives
   - City policies and Council goals focused on long term improvements to community quality of life may also impact desired fee levels as fees can be used to change community behaviors, promote certain activities r provide funding for pursuit of specific community goals, for example: health and wellness, environmental stewardship.
4. Impact on demand (elasticity)
   - Pricing of services can significantly impact demand. At full cost recovery, for example, the City is providing services for which there is a genuine market not over-stimulated by artificially low prices. Conversely, high cost recovery may negatively impact lower income groups and this can work against public policy outcomes if the services are specifically designed to serve particular groups.
5. Discounted Rates and Surcharges
   - Rates may be discounted to accommodate lower income groups or groups who are the target of the service, such as senior citizens or residents.
   - The City's cost of discounting any rate or fee will be funded through a general fund source of revenue. No fee revenue from one applicant/customer may be used to subsidize the cost of a service received by another applicant/customer.
   - Higher rates are considered appropriate for non-residents to further reduce general fund subsidization of services.
6. Feasibility of Collection
   - It may be impractical or too costly to establish a system to appropriately identify and charge each user for the specific services received. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
7. Comply with Legal Requirements
   - All rates and fees will be set in an amount that does not exceed the estimated proportionate cost of providing the service or benefit to the person paying the fee. (California Constitution Article XIII C, Section 1(e)).

Target cost recovery levels

1. Low cost recovery levels (0-30%) are appropriate if:
   - There is no intended relationship between the amount paid and the benefit received
   - Collecting fees is not cost-effective
   - There is no intent to limit use of the service
   - The service is non-recurring
   - Collecting fees would discourage compliance with regulatory requirements
   - The public at large benefits even if they are not the direct users of the service
2. High cost recovery levels (70-100%) are appropriate if:
   - The individual user or participant receives the benefit of the service
   - Other private or public sector alternatives could or do provide the service
   - For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received

- The use of the service is specifically discouraged
- The service is regulatory in nature

3. Services having factors associated with both cost recovery levels would be subsidized at a mid-level of cost recovery (30-70%).

General categories of services tend to fall logically into the three levels of cost recovery above and can be classified according to the factors favoring those classifications for consistent and appropriate fees. Primary categories of services include:

- Social Services and Recreation Programs
- Development Review Programs – Planning, and Building
- Public Works Department – Engineering, Transportation, and Maintenance
- Public Safety

*The table below has been reformatted to eliminate the page number column, which corresponded to page numbers in the Master Fee Schedule, to improve administrative efficiency.

Social services and recreation programs			
General categorization of programs, services, activity, and facilities	**Low cost recovery (0-30%)**	**Mid cost recovery (30-70%)**	**High cost recovery (70-100%)**
Parks			
Dog Parks	X		
Skate Parks	X		
Open Space/Parks	X		
Playgrounds	X		
Social services			
Senior Transportation	X		
Senior Classes/ Events	X		
Belle Haven Youth Center	X		
Menlo Children's Center – Title 22			X
Preschool – Title 22			X
Preschool – Title 5		X	
Second Harvest	X		
Senior Nutrition Program	X		
Events/Celebrations			
City Sponsored	X		
City-Wide	X		
Youth & Teen Targeted	X		
Cultural	X		
Concerts	X		
Facility usage			

City Functions (e.g., commissions)	X		
Co-Sponsored Organizations	X		
Non-Profit	X		
Fields - Youth (non-profit)		X	
Fields – Adult (non-profit)		X	
Tennis Courts Rentals			X
Picnic Rentals – Private party			X
Private Rentals			X
Fields – for-profit			X
Contracted Venues – for-profit			X
Fee assisted programs			
Recreational Swim	X		
Swimming Classes	X		
Lap Swimming	X		
Recreation Classes	X		
Open Gym Activities	X		

Low recovery expectations
Low to zero recovery is expected for programs in this category as the community benefits from the service. Non-resident fees if allowed may provide medium cost recovery.

In general, low cost programs or activities in this group provide a community wide benefit. These programs and activities are generally youth programs or activities enhancing the health, safety and livability of the community and therefore require the removal of a cost barrier for optimum participation. Recreation programming geared toward the needs of teens, youth, seniors, persons with disabilities, and/or those with limited opportunities for recreation are included. For example:

- Belle Haven Youth Center - Licensed Child Care Program – Services to participants in this program are not readily available elsewhere in the community at low cost. The program provides broad community benefit in the form of a safety net for children in the community. Organized activities and programs teach basic skills, constructive use of time, boundaries and expectations, commitment to learning and social competency.

  Resident fees charged based on San Mateo County Pilot program for full day care that sets fees at no more than 10% of the family's gross income.
- Parks – As long as collecting fees at City parks is not cost-effective, there should be no fees collected for general use of parks and playgrounds. Costs associated with maintaining the City's parks represent a large cost for which there is no significant opportunity for recovery – these facilities are public domains and are an essential service of City government.
- Social Services – For social service programs, fees are not intended to be directly proportional to the benefit received by an individual. Rather, the City's policy is to provide these important public services while using fees to recover only a small portion of the City's overall costs. Some programs are designed and delivered in coordination/partnership with other providers in Menlo Park.
- Senior Transportation – Transportation is classified as a low cost recovery program because there is no fee charged for the program and the majority of the seniors served cannot afford the actual cost of the service. Donations are solicited, but they are minimal. No fee should be established for this service, as it would threaten

ridership and County reimbursements would be withdrawn.

- Senior Classes/Events – The primary purpose of senior classes and events is to encourage participation. The seniors served in these classes do not have the means of paying for the classes and are classified as "scholarship" recipients due to their low income levels. The classes should continue to be offered in collaboration with outside agencies which can offer them for free through state subsidies.
- Second Harvest – Monthly food distributions provide free food to needy families and so contribute a broad community benefit. The coordination and operation of the program is through the Onetta Harris Center staff with volunteers assisting with the distribution of food, to keep costs as low as possible.
- Events/Celebrations – Community Services events provide opportunities for neighborhoods to come together as community and integrate people of various ages, economic and cultural backgrounds. Events also foster pride in the community and provide opportunities for volunteers to give back. As such, the benefits are community-wide. In addition, collection of fees isn't always cost effective.
- Facility Usage – Safe and secure facilities for neighborhood problem-solving and provision of other general services support an engaged community and should be encouraged with low or no fees.
- Fee Assisted Recreation Programs – Activities with fee assistance or sliding scales make the programs affordable to all economic levels in the community. Organized activities, classes, and drop-in programs are designed to encourage active living, teach essential life and safety skills and promote life-long learning for broad community benefit.
- Senior Nutrition Program ~~Congregate Nutrition~~ – This program is classified as a low cost recovery, as it requests voluntary donations from participants who can afford to contribute to help offset meal costs while keeping the program accessible to all.

Medium recovery expectations

Recovery of most program costs incurred in the delivery of the service, but without recovery of any of the costs which would have been incurred by the department without the service. Both community and individuals benefit from these services. Non-resident fees if allowed may provide high cost recovery.

- Preschool Title 5 – The Preschool Program is supported primarily by reimbursement of federal and state grants for low income children. Tuition and reimbursement rates are regulatory.

- Field Rentals – Field rentals primarily support local non-profit organizations providing sports leagues open to Menlo Park residents and children attending Menlo Park schools. These activities encourage healthy lifestyles and lifelong fitness. Reasonable fees may be charged to help defray the citywide costs of operating and maintaining fields.
- Drop-in Programs – Drop-in programs can be accessed by the widest cross section of the population and therefore have the potential for broad-base participation. Recreation drop-in programs have minimal supervision while providing healthy outlets for youth, teens and adults.

High recovery expectations

Present when user fees charged are sufficient to support direct program costs plus up to 100% of department administration and city overhead associated with the activity. Individual benefit foremost and minimal community benefit exists. Activities promote the full utilization of parks and recreation facilities.

- Menlo Children's Center School Age and Pre-school – Title 22 – Participation benefits the individual user.
- Picnic Areas – Picnic rental reservations benefit the individual but help defray the cost of maintaining parks benefiting the entire community.
- Facility Usage – Facility use is set at a higher rate for the private use of the public facility for meetings, parties, and programs charging fees for services and celebrations.
- Programs – Activities in this area benefit the individual user. Programs, classes, and sports leagues are often offered to keep pace with current recreational trends and provide the opportunity to learn new skills, improve health, and develop social competency. The services are made available to maximize the use of the facilities, increase the variety of offerings to the community as a whole and spread department administration and city-wide overhead costs to many activities. In some instances, offering these activities helps defray expenses of services with no viable means of collecting revenue e.g. parks, playgrounds, etc.
- Contracted Venues (for profit) – Long term arrangements where a facility is rented or contracted out to reduce general funding expense in order to provide specialized services to residents.
- Tennis Court Rentals – Court rentals primarily provide a direct individual benefit to the user and are appropriately aligned with higher cost recovery. Fees should reflect the cost of operating and maintaining the facilities while supporting the continued availability and utilization of public tennis courts.

Development review services

General categorization of programs, Services, activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
Planning			
Appeals of Staff Decisions	X		
Appeals of Planning Commission Decisions by Residents	X		
Subsequent Appeals			X
Temporary Sign Permits	X		
Use Permits – Non-Profits	X		
Administrative Reviews – Fences		X	
Appeals of Planning Commission Decisions by Non-Residents			X
Administrative Reviews – Other			X
Architectural Control			X
Development Permits			X
Environmental Reviews			X
General Plan Amendments			X
Tentative Maps			X
Miscellaneous – not listed elsewhere			X
Reviews by Community Development Director of Planning Commission			X
Special Events Permitting			X
Study Sessions			X
Zoning Compliance Letters			X
Signs and Awnings			X
Use Permits – other			X

Variances			X
Zoning Map Ordinance Amendments			X
Building and safety			
Solar Installations		X	
Existing Building Electrification	X		
Building Permits			X
Mechanical Permits			X
Electrical Permits			X
Plumbing Permits			X
Consultant Review			X

Low recovery expectations
Low to zero recovery is expected for services in this category to maintain open and accessible government processes for the public, encourage environmental sustainability and encourage compliance with regulatory requirements. Example of Low Recovery items:

- Planning – The fees for applicants who wish to appeal a Staff Decision or for a Menlo Park resident or neighbor from an immediately adjacent jurisdiction who wishes to appeal a decision of the Planning Commission is purposefully low to allow for accessibility to government processes.
- Planning – Temporary sign permit fees are low so as to encourage compliance.
- Building – The elimination or reduction of building permits for solar array installations is consistent with California Government Code Section 65850.5, which calls on local agencies to encourage the installation of solar energy systems by removing obstacles to, and minimizing costs of, permitting for such systems.
- Building – The elimination or reduction of building permit fees for projects that involve electrification of existing buildings to support the 2030 Climate Action Plan goal to electrify 95 percent of existing buildings by 2030.

Medium recovery expectations
Recovery in the range of 30% to 70% of the costs incurred in the delivery of the service reflects the private benefit that is received while not discouraging compliance with the regulation requirements.

- Planning – Administrative permits for fences that exceed the height requirements along Santa Cruz Avenue are set at mid-level to encourage compliance.

High recovery expectations
Cost recovery for most development review services should generally be high. In most instances, the City's cost recovery goal should be 100%.

- Planning – Subsequent Appeals - The fees for applicants who are dissatisfied with the results of a previous appeal of an administrative permit or a decision of the Planning Commission should be at 100% cost recovery.
- Planning – Most of the Planning fees charged are based on a "time and materials" basis, with the applicant/customer being billed for staff time (at a rate that includes overhead cost allocations) and the cost of actual materials or external services utilized in the delivery of the service.
- Building – Building fees use a cost-basis, not a valuation basis, and are flat fees based on the size and quantities of the project.

Public Works – engineering transportation, and maintenance

General categorization of programs, services, activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
Engineering			
Heritage Tree	X		
~~Appeals to Environmental~~	~~X~~		
Appeals to Environmental	X		
Quality Commission and City Council			
Bid Packages	X		
Plotter Prints		X	
Encroachment Permits for City-mandated repair work (non-temporary)		X	
Heritage Tree Removal Permits 1-3 trees		X	
City Standard Details		X	
Improvement Plan			X
Plan Revisions			
Construction Inspections			X
Maps/ Subdivisions			X
Real Property			X
Abandonments			X
Annexations			X
Certificates of Compliance			X
Easement Dedications			X
Lot Line Adjust/Merger			X
Encroachment Permits			X
Completion Bond			X
Processing Fee			X
Heritage Tree Permits after first 3 trees			X
Downtown Parking Permits			X
Transportation			
Red Curb Installation	X		
Truck Route Permits	X		
Traffic Signal Accident			X

Aerial Photos			X
Maintenance			
Tree Planting	X		
Banners – Santa Cruz Avenue			X
Barricade replacement			X
Weed Abatement			X
Special Event set-up – for-profit use			X
Special Event set-up – for non-profits use		X	
Damaged City property			X

Low recovery expectations
Low to zero recovery is expected for services in this category as the community benefits from the service. In general, low cost services in this group provide a community-wide benefit. These services generally are intended to enhance or maintain the livability of the community and therefore require the removal of a cost barrier to encourage use. However, in some instances the maximum fee that can be charged is regulated at the State or Federal level and therefore the City fee is not determined by City costs (truck route permits, copies of documents). Examples of Low Recovery items:

- Maintenance – Tree Plantings is classified as a low cost recovery fee to replacement of trees removed due to po health and to encourage new tree plantings.
- Transportation – Red Curb Installation is classified as a low cost recovery fee for support traffic/parking mitigation requests to address safety concerns of residents and businesses.
- Transportation – Truck Route Permits Fees – maximum fee set by State Law.
- Engineering – Heritage Tree Appeals is classified as a low cost recovery fee to ensure that legitimate grievances are not suppressed by high fees.
- Engineering – Bid Packages are provided at a low cost to encourage bid submissions thereby ensuring that the C receives sufficient bids to obtain the best value for the project to be undertaken.

Medium recovery expectations
Recovery in the range of 30% to 70% of the costs incurred in the delivery of the service. Typically, both the community and individuals benefit from these services.

- Engineering – Encroachment Permits for City-mandated repairs are classified as a medium cost recovery. Since the property owner is paying for the cost of construction but is required by ordinance to perform it promptly, a discounted fee for the permit is appropriate.

High recovery expectations
Recovery in the range of 70% to 100% when user fees charged are sufficient to fully recover costs of providing the service. Individual benefit is foremost and minimal community benefit exists. Most services provided by the Public Works Department fall in this area.

- Engineering – Encroachment Permits where the public right of way is used or impacted on a temporary or permanent basis for the benefit of the permittee. Debris Boxes are such an example
- Transportation – Traffic Signal Accident repair cost is the responsibility of the driver/insurer.
- Maintenance – Weed Abatement performed by Public Works staff to address ongoing code violation.
- Maintenance – Banners on Santa Cruz Avenue and El Camino Real.

Public safety – police services			
(Case Copies, False Alarms, Parking Permits, Abatements, Emergency Response, Background Investigations, Tow Contract)			
General categorization of programs, services, activity, and facilities	**Low cost recovery (0-30%)**	**Mid cost recovery (30-70%)**	**High cost recovery (70-100%)**

Case Copies	X		
Citation Sign Off - Residents	X		
Document Copies	X		
Bicycle Licenses	X		
Overnight Parking Permits			X
Residential Parking Permits	X		
Property Inspection – Code Enforcement	X		
Real Estate Sign Retrieval	X		
False Alarm – Standard		X	
Rotation Tow Service Contract		X	
Repossession Fee		X	
False Alarm – High Risk			X
Good Conduct Letter			X
Preparation Fees			X
Research Fee			X
Civil Subpoena Appearance			X
Finger Printing Documents			X
Background Investigations			X
Notary Services			X
Vehicle Releases			X
DUI – Emergency Response			X
Intoximeter Rental			X
Street Closure			X
Unruly Gatherings			X
Abatement			X

Low recovery expectations

Low to zero recovery is expected for services in this category as the community generally benefits from the regulation of the activity. The regulation of these activities is intended to enhance or maintain the livability of the community. However, in some instances the maximum fee that can be charged is regulated at the State or Federal level and therefore the City fee is not determined by City costs (copies of documents).

Medium recovery expectations

Recovery in the range of 30% to 70% of the costs of providing the service. Both community and individuals benefit from these services.

- False Alarm (standard) – primarily residential and low cash volume retail. Alarm response provide a disincentive to crime activity. However excessive false alarms negatively impact the ability of prompt police response to legitimate alarms.

High recovery expectations
Recovery in the range of 70% to 100% when user fees charged are sufficient to recover costs of the service provided. Individual benefit is foremost and minimal community benefit exists. Items such as False Alarm (high risk), DUI Emergency Response, Vehicle Releases, Unruly Gathering, and Abatements are incident-related fees intended to recover costs associated with specific responses or enforcement activities. Items such as Good Conduct Letter, Preparation Fees, Research Fee, Finger Printing, Background Investigations, and Notary Service primarily benefit the individual. 100% of the cost for services in these areas is typical.

- Overnight Parking Permits – the fee charged for One Night Parking Permits fall into low cost Recovery, however when combined with the fees collected from the issuance of Annual Permits the result is the program should achieve high cost Recovery.
- Street Closure – primarily residential for activities within a defined area. This service is provided for public safety and therefore is provided at a rate below 100% cost recovery.

Library services

Library Cards, etc. – fees are aligned with the fees established by the Peninsula Library System. No overdue fines will be charged.

Administrative services

Copying Charges, Postage, etc. – fees are primarily set by regulations and are generally high cost recovery of pass-thru charges.

Procedure history

Action	Date	Notes
Procedure adoption	March 9, 2010	
Procedure updated	April 13, 2021	
Procedure updated	August 23, 2022	Addition of building permit fee reductions for existing building electrification projects Resolution No. 6768
Procedure updated	October 27, 2026	Resolution No. XXXX

USER FEE COST RECOVERY

City Council Policy #CC-~~22~~2226~~-025~~-025
~~Adopted August 23, 2022~~
Adopted October 27, 2026
Resolution No. ~~6768~~XXXX

ATTACHMENT B

CITY OF MENLO PARK

Purpose

A clear User Fee Cost Recovery Policy will allow the City of Menlo Park to provide an ongoing, sound basis for setting fees that allows charges and fees to be periodically reviewed and updated based on predetermined, researched and supportable criteria that can be made available to the public.

Background

In 2005 the *Your City/Your Decision* community driven budget process provided community direction and initial information on approaches to cost recovery of services. The User Fee Cost Recovery Policy was last adopted in 2022, providing a values-based and data-driven framework for establishing and evaluating user fees and cost recovery levels.

In 2026, the City completed an updated Cost of Services Study in conjunction with the adoption of a new Cost Allocation Plan. The updated Cost Allocation Plan provides a standardized, data-driven methodology for allocating administrative and other overhead costs to programs and services, while the updated Cost of Services Study provides current information on the full cost of delivering City services. Together, these studies provide an updated basis for evaluating user fees and cost recovery and support the continued application of a values-based and data-driven approach to the City's User Fee Cost Recovery Policy.~~In 2007, the Cost Allocation Plan provided further basis for development of a standardized allocation system by providing a methodology for data-based distribution of administrative and other overhead charges to programs and services. The Cost of Services Study completed in 2008 allowed the determination of the full cost of providing each service for which a fee is charged and laid the final groundwork needed for development of a values-based and data-driven User Fee Cost Recovery Policy. A draft User Fee Cost Recovery Policy was presented for consideration by the Council at a Study Session on February 10, 2009. Comments and direction from the Study Session were used to prepare this Fiscal Policy.~~

Policy

The policy has three main components:

1. Provision for ongoing review
2. Process of establishing cost recovery levels
   - Factors to be Considered
3. Target Cost Recovery Levels
   - Social Services and Recreation Programs
   - Development Review Services
   - Public Works – Engineering Transportation, and Maintenance
   - Public Safety – Police Services
   - Library Services
   - Administrative Services

Provision for ongoing review

Fees will be reviewed at least annually in order to keep pace with changes in the cost of living and methods or levels of service delivery. In order to facilitate a fact-based approach to this review, a comprehensive analysis of the city's costs and fees should be made at least every five years. In the interim, fees will be adjusted by annual cost factors reflected in the appropriate program's operating budget.

Process of establishing service fee cost recovery levels

The City of Menlo Park provides services and infrastructure that contribute to quality-of-life for all Menlo Park residents. In so doing, the City strives to balance the resources and requirements of each area of the city in an equitable manner for all residents, in all neighborhoods of the City. The City of Menlo Park prioritizes social justice in decisions that affect residents' lives: the fair, just and equitable management of all institutions serving the public directly or by contract; the fair, just and equitable distribution of public services and implementation of public policy; and the commitment to promote fairness, justice, and equity in the formation of public policy.

The following factors will be considered when setting service fees and cost recovery levels

1. Community-wide vs. special benefit
   - The use of general purpose revenue is appropriate for community-wide services while user fees are appropriate for services that are of special benefit to individuals or groups. Full cost recovery is not always appropriate.
2. Service Recipient Versus Service Driver
   - Particularly for services associated with regulated activities (development review, code enforcement), from which the community primarily benefits, cost recovery from the "driver" of the need for the service (applicant, violator) is appropriate.
3. Consistency with City public policies and objectives
   - City policies and Council goals focused on long term improvements to community quality of life may also impact desired fee levels as fees can be used to change community behaviors, promote certain activities r provide funding for pursuit of specific community goals, for example: health and wellness, environmental stewardship.
4. Impact on demand (elasticity)
   - Pricing of services can significantly impact demand. At full cost recovery, for example, the City is providing services for which there is a genuine market not over-stimulated by artificially low prices. Conversely, high cost recovery may negatively impact lower income groups and this can work against public policy outcomes if the services are specifically designed to serve particular groups.
5. Discounted Rates and Surcharges
   - Rates may be discounted to accommodate lower income groups or groups who are the target of the service, such as senior citizens or residents.
   - The City's cost of discounting any rate or fee will be funded through a general fund source of revenue. No fee revenue from one applicant/customer may be used to subsidize the cost of a service received by another applicant/customer.
   - Higher rates are considered appropriate for non-residents to further reduce general fund subsidization of services.
6. Feasibility of Collection
   - It may be impractical or too costly to establish a system to appropriately identify and charge each user for the specific services received. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
7. Comply with Legal Requirements
   - All rates and fees will be set in an amount that does not exceed the estimated proportionate cost of providing the service or benefit to the person paying the fee. (California Constitution Article XIII C, Section 1(e)).

Target cost recovery levels

1. Low cost recovery levels (0%-30%) are appropriate if:
   - There is no intended relationship between the amount paid and the benefit received
   - Collecting fees is not cost-effective
   - There is no intent to limit use of the service
   - The service is non-recurring
   - Collecting fees would discourage compliance with regulatory requirements
   - The public at large benefits even if they are not the direct users of the service
2. High cost recovery levels (70%-100%) are appropriate if:
   - The individual user or participant receives the benefit of the service
   - Other private or public sector alternatives could or do provide the service
   - For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received

- The use of the service is specifically discouraged
- The service is regulatory in nature

3. Services having factors associated with both cost recovery levels would be subsidized at a mid-level of cost recovery (30% - 70%).

General categories of services tend to fall logically into the three levels of cost recovery above and can be classified according to the factors favoring those classifications for consistent and appropriate fees. Primary categories of services include:

- Social Services and Recreation Programs
- Development Review Programs – Planning, and Building
- Public Works Department – Engineering, Transportation, and Maintenance
- Public Safety

*The table below has been reformatted to eliminate the page number column, which corresponded to page numbers in the Master Fee Schedule, to improve administrative efficiency.

Social services and recreation programs			
General categorization of programs, services, activity, and facilities	**Low cost recovery (0-30%)**	**Mid cost recovery (30-70%)**	**High cost recovery (70-100%)**
Parks			
Dog Parks	X		
Skate Parks	X		
Open Space/Parks	X		
Playgrounds	X		
Social services			
Senior Transportation	X		
Senior Classes/ Events	X		
Belle Haven ~~School Age – Title 22~~Youth Center	X	~~X~~	
Menlo Children's Center – Title 22			X
Preschool – Title 22			X
Preschool – Title 5		X	
Second Harvest	X		
~~Congregate Nutrition~~Senior Nutrition Program	X	~~X~~	
Events/Celebrations			
City Sponsored	X		
City-Wide	X		
Youth & Teen Targeted	X		
Cultural	X		
Concerts	X		

Facility usage			
City Functions (e.g., commissions)	X		
Co-Sponsored Organizations	X		
Non-Profit	X		
Fields - Youth (non-profit)		X	
Fields – Adult (non-profit)		X	
Tennis Courts Rentals		~~X~~	X
Picnic Rentals – Private p~~P~~arty			X
Private Rentals			X
Fields – for-profit			X
Contracted Venues – for-profit			X
Fee assisted programs			
Recreational Swim	X		
Swimming Classes	X		
Lap Swimming	X		
Recreation Classes	X		
Open Gym Activities	X		

Low recovery expectations
Low to zero recovery is expected for programs in this category as the community benefits from the service. Non-resident fees if allowed may provide medium cost recovery.

In general, low cost programs or activities in this group provide a community wide benefit. These programs and activities are generally youth programs or activities enhancing the health, safety and livability of the community and therefore require the removal of a cost barrier for optimum participation. Recreation programming geared toward the needs of teens, youth, seniors, persons with disabilities, and/or those with limited opportunities for recreation are included. For example:

- Belle Haven Youth Center - Licensed Child Care Program – Services to participants in this program are not readily available elsewhere in the community at low cost. The program provides broad community benefit in the form of a safety net for children in the community. Organized activities and programs teach basic skills, constructive use of time, boundaries and expectations, commitment to learning and social competency.

  Resident fees charged based on San Mateo County Pilot program for full day care that sets fees at no more than 10% of the family's gross income.
- Parks – As long as collecting fees at City parks is not cost-effective, there should be no fees collected for general use of parks and playgrounds. Costs associated with maintaining the City's parks represent a large cost for which there is no significant opportunity for recovery – these facilities are public domains and are an essential service of City government.
- Social Services – For social service programs, fees are not intended to be directly proportional to the benefit received by an individual. Rather, the City's policy is to provide these important public services while using fees to recover only a small portion of the City's overall costs.~~There is no intended relationship between the amount paid and the benefit received for social service programs.~~ Some programs are designed and delivered in coordination/partnership with other providers in Menlo Park.
- Senior Transportation – Transportation is classified as a low cost recovery program because there are fees

charged for the program and the majority of the seniors served cannot afford the actual cost of the service. Donations are solicited, but they are minimal. No fee should be established for this service, as it would threaten ridership and County reimbursements would be withdrawn.

- Senior Classes/Events – The primary purpose of senior classes and events is to encourage participation. The seniors served in these classes do not have the means of paying for the classes and are classified as "scholarship" recipients due to their low income levels. The classes should continue to be offered in collaboration with outside agencies which can offer them for free through state subsidies.
- Second Harvest – Monthly food distributions provide free food to needy families and so contribute a broad community benefit. The coordination and operation of the program is through the Onetta Harris Center staff with volunteers assisting with the distribution of food, to keep costs as low as possible.
- Events/Celebrations – Community Services events provide opportunities for neighborhoods to come together as community and integrate people of various ages, economic and cultural backgrounds. Events also foster pride in the community and provide opportunities for volunteers to give back. As such, the benefits are community-wide. In addition, collection of fees isn't always cost effective.
- Facility Usage – Safe and secure facilities for neighborhood problem-solving and provision of other general services support an engaged community and should be encouraged with low or no fees.
- Fee Assisted Recreation Programs – Activities with fee assistance or sliding scales make the programs affordable to all economic levels in the community. Organized activities, classes, and drop-in programs are designed to encourage active living, teach essential life and safety skills and promote life-long learning for broad community benefit.
- Senior Nutrition Program ~~Congregate Nutrition~~ – This program is classified as a low cost recovery, as it requests voluntary donations from participants who can afford to contribute to help offset meal costs while keeping the program accessible to all.~~Older Americans Act ()~~

Medium recovery expectations
Recovery of most program costs incurred in the delivery of the service, but without recovery of any of the costs which would have been incurred by the department without the service. Both community and individuals benefit from these services. Non-resident fees if allowed may provide high cost recovery.

- ~~Belle Haven School Age – Title 22 - Licensed Child Care Program – Services to participants in this program are n readily available elsewhere in the community at low cost. The program provides broad community benefit in the form of a safety net for children in the community. Organized activities and programs teach basic skills, constructive use of time, boundaries and expectations, commitment to learning and social competency. Residen fees charged based on San Mateo County Pilot program for full day care that sets fees at no more than 10% of th family's gross income.~~
- Preschool Title 5 – The Preschool Program is supported primarily by reimbursement of federal and state grants for low income children. Tuition and reimbursement rates are regulatory.

- ~~Senior Lunches – Congregate Nutrition is classified as a medium cost recovery fee as it asks a donation coupled with a per meal reimbursement from OAA & State funds.~~
- ~~elle Haven School Community School – The Community School partners with various non-profit and community based agencies to provide much needed services to the community – high quality instruction, youth enrichment services, after-school programs, early learning and a family center. Services are open to Belle Haven students, their families and residents of the surrounding neighborhood.~~
- Field Rentals ~~and Tennis Courts –~~ Field rentals primarily support local non-profit organizations providing sports leagues open to Menlo Park residents and children attending Menlo Park schools. These activities encourage healthy lifestyles and lifelong fitness. Reasonable fees may be charged to help defray the citywide costs of operating and maintaining fields.~~Costs should be kept low for local non-profit organizations providing sports leagues open to residents and children in the Menlo Park Schools that encourage healthy lifestyles and lifelong fitness. Opportunities exist to collect a reasonable fee for use to defray citywide expenses for tennis facilities and fields.~~
- Drop-in Programs – Drop-in programs can be accessed by the widest cross section of the population and therefore have the potential for broad-base participation. Recreation drop-in programs have minimal supervision while providing healthy outlets for youth, teens and adults.

High recovery expectations
Present when user fees charged are sufficient to support direct program costs plus up to 100% of department administration and city overhead associated with the activity. Individual benefit foremost and minimal community benefit exists. Activities promote the full utilization of parks and recreation facilities.

- Menlo Children's Center School Age and Pre-school – Title 22 – Participation benefits the individual user.
- Picnic Areas – Picnic rental reservations benefit the individual but help defray the cost of maintaining parks benefiting the entire community.
- Facility Usage – Facility use is set at a higher rate for the private use of the public facility for meetings, parties, and programs charging fees for services and celebrations.
- Programs – Activities in this area benefit the individual user. Programs, classes, and sports leagues are often offered to keep pace with current recreational trends and provide the opportunity to learn new skills, improve health, and develop social competency. The services are made available to maximize the use of the facilities, increase the variety of offerings to the community as a whole and spread department administration and city-wide overhead costs to many activities. In some instances, offering these activities helps defray expenses of services with no viable means of collecting revenue e.g. parks, playgrounds, etc.
- Contracted Venues – (for profit) – Long term arrangements where a facility is rented or contracted out to reduce general funding expense in order to provide specialized services to residents.
- Tennis Court Rentals – Court rentals primarily provide a direct individual benefit to the user and are appropriately aligned with higher cost recovery. Fees should reflect the cost of operating and maintaining the facilities while supporting the continued availability and utilization of public tennis courts.

Development review services			
General categorization of programs, Services, activity, and facilities	**Low cost recovery (0-30%)**	**Mid cost recovery (30-70%)**	**High cost recovery (70-100%)**
Planning			
Appeals of Staff Decisions	X		
Appeals of Planning Commission Decisions by Residents	X		
Subsequent Appeals			X
Temporary Sign Permits	X		
Use Permits – Non-Profits	X		
Administrative Reviews – Fences		X	
Appeals of Planning Commission Decisions by Non-Residents			X
Administrative Reviews – Other			X
Architectural Control			X
Development Permits			X
Environmental Reviews			X
General Plan Amendments			X
Tentative Maps			X

Miscellaneous – not listed elsewhere			X
Reviews by Community Development Director of Planning Commission			X
Special Events Permitting			X
Study Sessions			X
Zoning Compliance Letters			X
Signs and Awnings			X
Use Permits – other			X
Variances			X
Zoning Map Ordinance Amendments			X
Building and safety			
Solar Installations		X	
Existing Building Electrification	X		
Building Permits			X
Mechanical Permits			X
Electrical Permits			X
Plumbing Permits			X
Consultant Review			X

Low recovery expectations
Low to zero recovery is expected for services in this category to maintain open and accessible government processes for the public, encourage environmental sustainability and encourage compliance with regulatory requirements. Example of Low Recovery items:

- Planning – The fees for applicants who wish to appeal a Staff Decision or for a Menlo Park resident or neighbor from an immediately adjacent jurisdiction who wishes to appeal a decision of the Planning Commission is purposefully low to allow for accessibility to government processes.
- Planning – Temporary sign permit fees are low so as to encourage compliance.
- Building – The elimination or reduction of building permits for solar array installations is consistent with California Government Code Section 65850.5, which calls on local agencies to encourage the installation of solar energy systems by removing obstacles to, and minimizing costs of, permitting for such systems.
- Building – The elimination or reduction of building permit fees for projects that involve electrification of existing buildings to support the 2030 Climate Action Plan goal to electrify 95 percent of existing buildings by 2030.

Medium recovery expectations
Recovery in the range of 30% to 70% of the costs incurred in the delivery of the service reflects the private benefit that is received while not discouraging compliance with the regulation requirements.

- Planning – Administrative permits for fences that exceed the height requirements along Santa Cruz Avenue are set at mid-level to encourage compliance.

High recovery expectations
Cost recovery for most development review services should generally be high. In most instances, the City's cost recovery goal should be 100%.

- Planning – Subsequent Appeals - The fees for applicants who are dissatisfied with the results of a previous appeal of an administrative permit or a decision of the Planning Commission should be at 100% cost recovery.
- Planning – Most of the Planning fees charged are based on a "time and materials" basis, with the applicant/customer being billed for staff time (at a rate that includes overhead cost allocations) and the cost of actual materials or external services utilized in the delivery of the service.
- Building – Building fees use a cost-basis, not a valuation basis, and are flat fees based on the size and quantities of the project.

Public Works – engineering transportation, and maintenance

~~Engineering and Transportation (public improvement plan checks, inspections, subdivision requirements, encroachments)~~
~~Transportation (red curb installation, truck route permits, traffic signal repairs from accidents)~~
~~Maintenance (street barricades, banners, trees, special event set-up, damaged city property)~~

General categorization of programs, services, activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
Engineering			
Heritage Tree	X		
~~Appeals to Environmental~~	~~X~~		
Appeals to Environmental	X		
Quality Commission and City Council			
Bid Packages	X		
Plotter Prints		X	
Encroachment Permits for City-mandated repair work (non-temporary)		X	
Heritage Tree Removal Permits 1-3 trees		X	
City Standard Details		X	
Improvement Plan			X
Plan Revisions			
Construction Inspections			X
Maps/ Subdivisions			X
Real Property			X
Abandonments			X
Annexations			X
Certificates of Compliance			X
Easement Dedications			X

Lot Line Adjust/Merger			X
Encroachment Permits			X
Completion Bond			X
Processing Fee			X
Heritage Tree Permits after first 3 trees			X
Downtown Parking Permits			X
Transportation			
Red Curb Installation	X		
Truck Route Permits	X		
Traffic Signal Accident			X
Aerial Photos			X
Maintenance			
Tree Planting	X		
Banners – Santa Cruz Avenue			X
Barricade replacement			X
Weed Abatement			X
Special Event set-up – for-profit use			X
Special Event set-up – for non-profits use		X	
Damaged City property			X

Low recovery expectations
Low to zero recovery is expected for services in this category as the community benefits from the service. In general, low cost services in this group provide a community-wide benefit. These services generally are intended to enhance or maintain the livability of the community and therefore require the removal of a cost barrier to encourage use. However, in some instances the maximum fee that can be charged is regulated at the State or Federal level and therefore the City fee is not determined by City costs (truck route permits, copies of documents). Examples of Low Recovery items:

- Maintenance – Tree Plantings is classified as a low cost recovery fee to replacement of trees removed due to po health and to encourage new tree plantings.
- Transportation – Red Curb Installation is classified as a low cost recovery fee for support traffic/parking mitigation requests to address safety concerns of residents and businesses.
- Transportation – Truck Route Permits Fees – maximum fee set by State Law.
- Engineering – Heritage Tree Appeals is classified as a low cost recovery fee to ei~~i~~nsure that legitimate grievances are not suppressed by high fees.
- Engineering – Bid Packages are provided at a low cost to encourage bid submissions thereby ei~~i~~nsuring that the C receives sufficient bids to obtain the best value for the project to be undertaken.

Medium recovery expectations
Recovery in the range of 30% to 70% of the costs incurred in the delivery of the service. Typically, both the community and individuals benefit from these services.

- Engineering – Encroachment Permits for City-mandated repairs are classified as a medium cost recovery. Since the property owner is paying for the cost of construction but is required by ordinance to perform it promptly, a discounted fee for the permit is appropriate.

High recovery expectations
Recovery in the range of 70% to 100% when user fees charged are sufficient to fully recover costs of providing the service. Individual benefit is foremost and minimal community benefit exists. Most services provided by the Public Works Department fall in this area.

- Engineering – Encroachment Permits where the public right of way is used or impacted on a temporary or permanent basis for the benefit of the permittee. Debris Boxes are such an example
- Transportation – Traffic Signal Accident repair cost is the responsibility of the driver/insurer.
- Maintenance – Weed Abatement performed by Public Works staff to address ongoing code violation.
- Maintenance – Banners on Santa Cruz Avenue and El Camino Real.

Public safety – police services

(Case Copies, False Alarms, Parking Permits, Abatements, Emergency Response, Background Investigations, Tow Contract)

General categorization of programs, services, activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
Case Copies	X		
Citation Sign Off - Residents	X		
Document Copies	X		
Bicycle Licenses	X		
Overnight Parking Permits			X
Residential Parking Permits	X		
Property Inspection – Code Enforcement	X		
Real Estate Sign Retrieval	X		
False Alarm – ~~Low Risk~~Standard		X	
Rotation Tow Service Contract		X	
Repossession Fee		X	
False Alarm – High Risk			X
Good Conduct Letter			X
Preparation Fees			X
Research Fee			X
Civil Subpoena Appearance			X
Finger Printing Documents			X
Background Investigations			X
Notary Services			X
Vehicle Releases			X
DUI – Emergency Response			X
Intoximeter Rental			X

Street Closure			X
Unruly Gatherings			X
Abatement			X

Low recovery expectations

Low to zero recovery is expected for services in this category as the community generally benefits from the regulation of the activity. The regulation of these activities is intended to enhance or maintain the livability of the community. However, in some instances the maximum fee that can be charged is regulated at the State or Federal level and therefore the City fee is not determined by City costs (copies of documents).

Medium recovery expectations

Recovery in the range of 30% to 70% of the costs of providing the service. Both community and individuals benefit from these services.

- False Alarm (standard) – primarily residential and low cash volume retail. Alarm response provide a disincentive to crime activity. However excessive false alarms negatively impact the ability of prompt police response to legitimate alarms.

High recovery expectations

Recovery in the range of 70% to 100% when user fees charged are sufficient to recover costs of the service provided. Individual benefit is foremost and minimal community benefit exists. Items such as False Alarm (high risk), DUI Emergency Response, Vehicle Releases, Unruly Gathering, and Abatements are ~~punitive in nature~~incident-related fees ~~and the costs should not be funded by the community~~intended to recover costs associated with specific responses or enforcement activities. Items such as Good Conduct Letter, Preparation Fees, Research Fee, Finger Printing, Background Investigations, and Notary Service primarily benefit the individual. 100% of the cost for services in these areas is typical.

- Overnight Parking Permits – the fee charged for One Night Parking Permits fall into ~~Low~~ low ~~Cost~~cost ~~c~~Recovery, however when combined with the fees collected from the issuance of Annual Permits the result is the program should achieve ~~High~~ high ~~Cost~~ cost Recovery.
- Street Closure – primarily residential for activities within a defined area. This service is provided for public safety and therefore is provided at a rate below 100% cost recovery.

Library services

~~(~~Library Cards, etc.~~)~~ – fees are aligned with the fees established by the Peninsula Library System. No overdue fines will be charged.

Administrative services

~~(~~Copying Charges, Postage, etc.~~)~~ – fees are primarily set by regulations and are generally high cost recovery of pass-thru charges.

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