

**CITY OF PACIFIC GROVE
CITY COUNCIL POLICY**

Policy Governing	Policy No.	Effective Date	Page No.
Fees, Charges, and Cost Recovery	400-4	June 15, 2011	1 of 2

I. PURPOSE

The purpose of the policy is to guide the City Council’s establishment of fees for service, fines, and other charges for service, in order to help ensure consistency in fee setting rationale. The policy is intended to provide broad guidance for service areas, without providing detailed guidance for all fee categories

It is the City Council’s intent that the policy may be amended over time to address additional services and evolving economic circumstances.

II. POLICY OF THE CITY

The City establishes fees according to Pacific Grove Municipal Code Chapter 6.02. Pursuant to Article XIII B of the California Constitution, it is the intent of the City Council to recover a portion or all costs reasonably borne for providing government services to the extent such cost recovery reflects the appropriate balance of general revenue support and fees paid by the individual(s) benefiting from the service.

For enterprise services, in which the City is offering products or services for which the customer has broad market choices, the City may choose to set rates based on current market conditions. This includes facility rentals, cemetery sales, recreational programs, land use, or similar enterprises. This market-based approach provides the City with the ability to optimize revenue beyond recovering the cost of providing the service. These market-based rates accurately reflect the value received by the customer.

In setting fees, City staff shall prepare fees for City Council consideration, based on cost recovery levels in the subsequent table. The listed percentage or methodology represents the combined cost recovery level for the department. Individual fees within each department may be established at a lower rate to encourage a desired performance; however the overall departmental fees should be within the listed ranges.

All staff assigned to hourly-based services, such as special events, inspections, or related tasks will be charged at the fully burdened hourly rate.

Service	Cost Recovery Method
Administration, City Clerk, Libraries	At least 30% of costs
Consideration may need to be given to the recovery percentage, such as limitations on certain fees imposed by the State, election code; or similar entities.	
Community Development	80-100% of costs
Public Works	80-100% of costs
Public Safety	30-50% of costs
Hyperbaric Chamber	80-100% of costs
City Facility Rental	
Private parties	Market
Non-profit organizations	Market
Ongoing, frequent, or unique rental (e.g., weekly classes, or street closure)	Discount from Market
City-sponsored events	No charge
Special Events	
For-profit sponsor	Market; however at least 100% costs
Non-profit sponsor	100% of costs
Events designated “traditional” by City Council	No charge
Recreation	Market; however at least 30% of costs
Cemetery	Market; however at least 80% of costs
Golf	Determined through concessionaire

Adopted June 2, 2010 (Resolution No. 10-044)
 Adopted June 15, 2011 (Resolution No. 11-052)
 Adopted September 19, 2018 (Resolution No. 18-033)