



# Agenda Item

## Orange City Council

---

Item #: 8.1.

1/13/2026

File #: 25-0713

---

**TO:** Honorable Mayor and Members of the City Council

**THRU:** Jarad Hildenbrand, City Manager

**FROM:** Trang Nguyen, Finance Director

### 1. SUBJECT

Public Hearing to consider revision of the Master Schedule of Fees and Charges to adopt revised administrative fees as a result of the Cost Allocation Plan and User Fee Study.

### 2. SUMMARY

A Cost Allocation Plan and User Fee Study prepared by Matrix Consulting Group was presented to the City Council in September 2025. Based on the study results and Council direction, this item proposes a limited update to the City of Orange Master Schedule of Fees to adopt revised fees within the Administration, Police, and Fire departments. Fees related to services provided by the Community Services, Public Works, and Community Development Departments will be brought forward for Council consideration at a later date.

### 3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Adopt Resolution No.11653. A Resolution of the City Council of the City of Orange amending the Master Schedule of Fees and Charges for various services.

### 4. FISCAL IMPACT

The proposed fee updates are intended to recover the reasonable cost of providing services and are not expected to generate revenue in excess of service delivery costs. Adoption of the updated Master Schedule of Fees is anticipated to have a positive fiscal impact on the General Fund and applicable special revenue funds. Detailed fiscal impacts vary by department and fee category.

### 5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability  
Objective 2.6: Reduce subsidy from general tax revenues

### 6. DISCUSSION AND BACKGROUND

#### Background

The City of Orange maintains a Master Schedule of Fees that establishes charges for services provided by various City departments. The Master Schedule of Fees is periodically reviewed and updated to reflect changes in service delivery costs, operational requirements, and applicable regulatory requirements.

California law, including Government Code Sections 66016, 66018, and 66019, requires local agencies to periodically review fees and ensure that fees do not exceed the reasonable cost of providing the associated service.

In September 2024, the City Council approved a contract with Matrix Consulting Group to prepare a Cost Allocation Plan and User Fee Study. The study was completed and presented to the City Council in September 2025. The City Council reviewed the Cost Allocation Plan and User Fee Study in September 2025 and discussed policy considerations related to user fees. Following discussion, the Council directed staff to conduct additional public outreach for certain fee categories. The report was received and filed.

### **Proposed Fee Updates**

Based on Council direction at the September 2025 meeting, this update to the Master Schedule of Fees is limited to fees within the Administration, Fire, and Police Departments.

Fees related to services provided by the Community Services Department, Public Works Department, and Community Development Department are not included in this update. Based on Council feedback, staff will continue to evaluate those fees, including potential alternatives and public outreach opportunities, and will return to the City Council with recommended updates at a later date.

The proposed updates to the Master Schedule of Fees include:

- Adjustments to existing fees based on updated cost-of-service information;
- Addition of new fees where services are currently provided without an established fee;
- Removal of obsolete or no-longer-applicable fees; and
- Clarification of fee descriptions to improve transparency and consistency.

A detailed listing of proposed fee changes by department is included as an attachment to this report and summarized as follows.

### **Administration**

Administration fees encompass fees within the City Clerk, City Manager, and Finance Departments and are recommended at or near 100% cost recovery for most services because they primarily benefit individual users and are legally eligible for full recovery. Overall adjustments represent an average increase of 30%, with a majority of the increase in the business license category, reflecting updating staffing costs, overhead, and service levels

City Clerk fees include targeted eliminations for services no longer provided and minor clarifications to reflect current practices. Most fees are state- or resolution-set; locally controlled fees generally under-recover, primarily due to high-volume services such as passport photos and room rentals.

Finance fees include consolidation of business license processing fees, removal of duplicative permits, and addition of a credit card surcharge to recover processing costs. While most fees are near full recovery, modest under-recovery remains for high-volume business license applications and certain regulatory permits.

Film permit fees, administered by the City Manager's Office, remain consistent with prior years as the permitting process continues to be streamlined. These fees will be reviewed annually to ensure

appropriate cost recovery as services evolve.

Overall, the Administration Department recovers approximately 95-98% of total costs.

### ***Fire and Paramedic Services***

Fire and paramedic fees are recommended at 100% full-cost recovery, considering most are related to user-specific services such as inspections, permits, paramedic transports, and construction reviews. Overall adjustments represent an average increase of 35%, reflecting updated staffing costs and improved tiering fee for larger or more complex projects.

### ***Police***

Police administrative fees are recommended to move toward improved cost recovery for user-specific services such as permits, records, fingerprinting, background checks, and parking permits. Proposed updates include eliminating duplicative or state-regulated fees, adding a new false alarm tier, and clarifying digital media and clearance-related fees. The Police Department also administers various fines and penalties identified within this section; these charges does not fall within the scope of the fee study and are not considered in the overall cost recovery.

Overall, the Police Department's proposed fees aim to recover approximately 90% of total costs and overall adjustments represent an average increase of 25%.

### **Conclusion**

This proposed action advances implementation of the Cost Allocation Plan and User Fee Study by adopting revised fees that more accurately reflect the cost of providing services, consistent with State law and City policy. The limited scope of this update allows the City to address cost recovery within the Administration, Police and Fire departments, while providing additional time for public outreach and policy discussion on other fee categories. Staff will return to the City Council at a later date with recommended updates for fees associated with the Community Services, Public Works, and Community Development Departments.

## **7. ATTACHMENTS**

- Resolution No. 11653
- Updated Master Schedule of Fees