



STAFF REPORT

AGENDA ITEM NO: 9g

MEETING DATE: April 6, 2026

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To: Honorable Mayor and City Council

Date: April 6, 2026

From: Helen Yu-Scott, Finance Director – (650) 558-7222

Subject: Consideration of the City of Burlingame Master Fee Schedule for the 2026-27 Fiscal Year; and Adoption of a Resolution of Intent to Amend the City of Burlingame Master Fee Schedule for the 2026-27 Fiscal Year and Set the Public Hearing for Such Amendment for May 4, 2026, at 7:00 P.M. in the City of Burlingame Council Chambers

RECOMMENDATION

Staff recommends that the City Council review and discuss staff recommendations for changes to the City's Master Fee Schedule for fiscal year 2026-27. Staff further recommends that the City Council adopt the proposed Resolution setting a Public Hearing for May 4, 2026, at 7:00 p.m., in the Council Chambers (501 Primrose Road, Burlingame, CA) in connection with updates to the Master Fee Schedule.

BACKGROUND

The City Council has traditionally approved a Master Fee Schedule as part of the budget process to reflect the annual cost increases anticipated for the upcoming fiscal year. The fee adjustments are not automatic. They require annual review and approval by the City Council. An annual review and update ensures that fees reflect current costs to provide services, allows the addition of fees for new City services when applicable, and provides for the elimination of fees for discontinued services.

A comprehensive cost allocation plan (CAP) and user fee study assist the City in determining the actual cost of providing City services and help the departments establish appropriate user fees. The most recent CAP and updated Cost of Services study were completed in fiscal year 2023-24. The results of these studies provide a tool for understanding current service levels, the cost and demand for those services, and what fees for service can and should be charged.

DISCUSSION

California law allows cities to impose fees for governmental services when an individual's use of the City service is voluntary, and the fee charged is reasonable in relation to the level of service and the cost of providing the service (Government Code section 66000 et seq.).

In general, the City's Master Fee Schedule reflects user fees intended to recover 100% of fully burdened costs, except for user fees that are highly sensitive and promote citizen engagement. Fully burdened rates include the cost of direct labor (direct staff time spent on the service), indirect labor (administrative and supervisory time), and central services overhead (other budgetary support for the department providing the service).

The User Fee Cost Recovery Policy sets an appropriate cost-recovery level for all City services. All fees in the Master Fee Schedule are reviewed annually to ensure that the cost factors for each service have not deviated from policy. If significant changes occur, the departmental staff will reassess the cost factors and propose an adjusted fee in line with the appropriate cost recovery. For all other services, an adjustment based on the current CPI should suffice to keep fees in line with the cost recovery level indicated in the policy.

The proposed Master Fee Schedule, in the "Proposed Fee" column, notes proposed changes to the Master Fee Schedule for the upcoming fiscal year.

Pursuant to State law, certain fees to be charged by the Planning and Building Divisions, the Fire Department, and the Engineering Division of the Public Works Department cannot become effective until 60 days after adoption of the adjusted fees as delineated in the attached Master Fee Schedule. Staff requests a Public Hearing for the update of the City of Burlingame's Master Fee Schedule to be held on May 4, 2026, at 7:00 p.m., in the Council Chambers, 501 Primrose Road, Burlingame, CA. The intent is for the new fees to become effective on July 1, 2026, and July 3, 2026.

Other Fees

Fees for Fire services are established by the Central County Fire Department (CCFD). As a separate JPA funded by the City of Burlingame, the Town of Hillsborough, and the City of Millbrae, CCFD fees are separately adopted by the CCFD Fire Board with the Department's operating budget. The City will amend the Master Fee Schedule once the CCFD board approves any adjustments to the CCFD fees, and those adjustments will take effect on July 1, 2026.

Review of the User Fee Cost Recovery Policy

As part of the Master Fee Schedule Update each year, all departments reviewed the portions of the City's User Fee Cost Recovery Policy related to their activities for which a fee is charged. No changes are recommended to the policy, but the User Fee Cost Recovery Policy is attached to this staff report.

FISCAL IMPACT:

The recommendations presented by staff in this report ensure that charges keep pace with the costs of providing certain services, are competitive with comparable programs (where applicable), and are responsive to community demand for the service. The changes to the fee schedule should

result in some additional revenue in the new fiscal year. However, the actual amounts are difficult to calculate because some services are voluntary, and activity volumes vary.

Exhibits:

- A Resolution of Intent of the City Council of the City of Burlingame to Amend the Master Fee Schedule for City Services
- City of Burlingame Proposed Master Fee Schedule for fiscal year 2026-27
- February 2026 - CPI
- User Fee Cost Recovery Policy